

Idaho Economic Forecast

C.L. "Butch" Otter, Governor

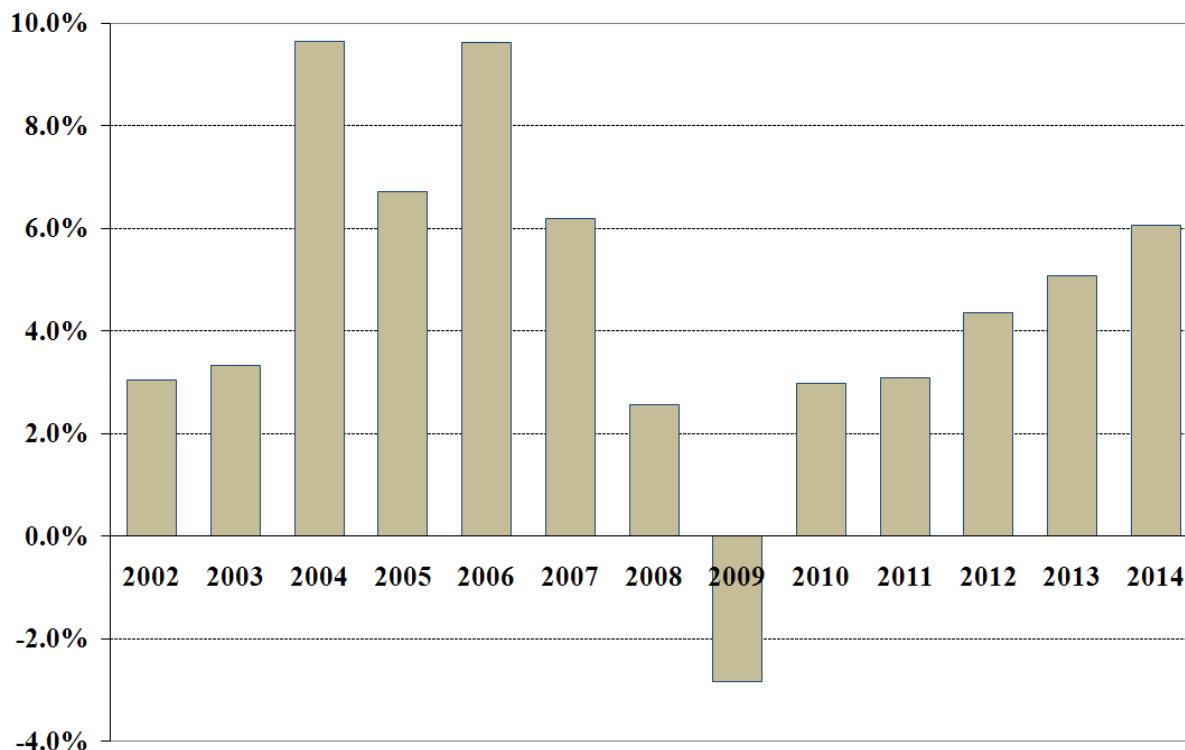
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- Forecast 2010-2014
- Is Structural Unemployment on the Rise?
- Alternative Forecasts

Idaho Nominal Personal Income Growth



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**IDAHO
ECONOMIC
FORECAST
2010-2014**

State of Idaho
C.L. “BUTCH” OTTER
Governor

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PREFACE

Idaho's economy continues to grow and evolve as it enters the second decade of the 21st century. The 1980s was a decade of stop-and-start economic performance. However, it also ushered in one of the longest economic expansions in Idaho's history. The 1990s saw a flood of new residents move into the state, expanding the population by an astounding 29% from 1990 to 2000. Idaho personal income nearly doubled during the same period, and the state's economy underwent structural changes that continue to this day.

One of the biggest changes is the rise of Idaho's high-technology sector. Virtually nonexistent in the 1970s, this sector achieved critical mass in the 1990s to become the state's largest manufacturing employer. The growth of industry giants as well as the emergence and expansion of a multitude of smaller companies pushed payrolls above even the most optimistic forecasts made in the 1980s. The state's trade sector also was transformed. The past decade witnessed an influx of national "big box" merchandisers. During this same time, Idaho merchants successfully reached beyond the state's borders. Several regional shopping centers were established to serve local shoppers as well as those from other states and Canada. Visitors fueled the surge in tourism that also benefited trade. As is the case nationally, the service sector accounts for most of the nonfarm jobs in Idaho. While such traditional factors as increasing discretionary income continue to fuel the demand for services, other influences also have emerged. For example, the use of temporary employees in manufacturing has bolstered business services employment. Idaho's outstanding work force has been a major factor in attracting call centers, back office operations, and credit card companies.

While many changes are taking place, traditional resource industries still play a major role in Idaho's economy. These industries are more resilient to downturns than in the past, but they are not totally immune from business-cycle effects. Indeed, the state's mining, agriculture, and timber sectors all experienced lulls in the late 1990s and once again are experiencing challenging economic conditions.

Other factors that are external to Idaho's economy will keep challenging decision makers. Public policy decisions made in Washington, D.C., affect the resource industry and federal installations such as the Idaho National Laboratory and the Mountain Home Air Force Base. Finding balanced and acceptable solutions to endangered and threatened species issues and timber supply issues are of major economic significance.

In order to deal effectively with these challenges, public and private decisions need to be made with a thorough understanding of the structure of the state's economy. It is to this end that the *Idaho Economic Forecast* is directed.

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INTRODUCTION

The national forecast presented in this publication is the November 2010 IHS Global Insight baseline forecast of the U.S. economy. The previous *Idaho Economic Forecast* is based on the October 2010 IHS Global Insight baseline national forecast.

The recent history and near-term forecasted growth rates for Idaho nominal personal income are featured on the cover of this *Idaho Economic Forecast*. As the chart shows, this measure has swung widely this decade. It grew the strongest in the middle of the first decade of the new century, advancing 9.7% in 2004, 6.7% in 2005, 9.6% in 2006, and 6.2% in 2007. Growth slowed considerably in 2008 and actually declined in 2009. Idaho nominal personal income growth is forecast to improve after 2009, but its pace over the forecast period is not expected to repeat its previous strong performance. Specifically, it should grow an average of 4.3% annually from 2010 to 2014.

FEATURE

Labor demand has been growing in the U.S., but the nation's unemployment rate has remained stubbornly high. Some analysts believe this is the result of a fundamental mismatch between the supply of labor in terms of workers' skills and the demand for labor in terms of employers' skill requirements. Such a mismatch between available workers and available jobs could increase the level of structural unemployment, which implies an increase in the lowest unemployment rate consistent with stable inflation. Both of these issues are examined in the feature article titled, "Is Structural Unemployment on the Rise?" It was written by Rob Valletta and Katherine Kuang, both of whom are with the Federal Reserve Bank of San Francisco.

THE FORECAST

Alternative assumptions concerning future movements of key economic variables can lead to major variations in national and/or regional outlooks. IHS Global Insight examines the effects of different economic scenarios, including the potential impacts of recessions, higher inflation, and future Federal Reserve Board decisions. Alternative Idaho economic forecasts were developed under different policy and growth scenarios at the national level. These forecasts are included in this report.

Historical and forecast data for Idaho and the United States are presented in the tables in the middle section of this report. Detail is provided for every year from 1997 to 2014 and for every quarter from 2008 through 2013. The solution of the Idaho Economic Model (IEM) for this forecast begins with the third quarter of 2010.

Descriptions of the IHS Global Insight U.S. Macroeconomic Model and the IEM are provided in the Appendix. Equations of the IEM and variable definitions are listed in the last pages of this publication.

CHANGES

The tables in this forecast include the U.S. Bureau of Economic Analysis' (BEA) September 20, 2010 estimates of Idaho quarterly personal income through the second quarter of 2010. In addition to adding the second quarter 2010 estimates, all the data series were revised back through the first quarter of 1990. These are the same estimates that were used in the previous forecast. The next round of estimates, which includes the third quarter of 2010, will not be published until late December 2010, which is too late to be included in

this forecast. The BEA plans to release personal income estimates through the fourth quarter of 2010 in March 2011. These estimates will be published in the April 2011 *Idaho Economic Forecast*.

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EXECUTIVE SUMMARY

After suffering a weak year in 2010, Idaho's economy should take small steps toward a recovery in 2011. Idaho nonfarm employment shrank 1.3% in 2010. It is forecast to grow 1.0% this year. It is then expected to grow about 2.7% through 2014. At that pace, it finally clears its 2007 peak by about 2,600 jobs in 2014. The combined services and trade sectors are expected to make a disproportionately positive impact on employment. Although they account for about two-thirds of existing nonfarm jobs, they will account for over 80% of the jobs created over the forecast period. Goods-producing employment is anticipated to be a mixed bag. Manufacturing employment is forecast to expand in every year beginning with 2011. It should be noted that the state's high-tech sector's employment is projected to remain stable over the next few years, which is a vast improvement from the declines it experienced through the first decade of the new millennium. Mining should also advance over the forecast period. Construction employment should take longer to recover, posting its first gain in 2012. Recovering employment should help Idaho nominal personal income growth accelerate over the forecast period. Specifically, it increases 3.1% in 2011, 4.4% in 2012, 5.1% in 2013, and 6.1% in 2014. Idaho real personal income grows 1.7% in 2011, 2.7% in 2012, 3.3% in 2013, and 4.0% in 2014 in this forecast.

The national economy has been expanding since the third quarter of 2009, but it could do better. In order for it to shift into higher gear, consumers must be willing to spend more freely. Consumers have several reasons to be cautious. The lack of jobs remains one of the most frustrating features of the economy. Well over a year after the official end to the recession, the nation's unemployment rate is near 10% and the underemployment rate is about 17%. Consumers have also experienced a stretch of tight credit and watched their household finances deteriorate. One of the reasons for the drop was the housing price collapse. Consumers will spend more when they regain confidence in employment, but firms will not feel very confident in hiring more people until the economy starts growing faster. The virtuous circle necessary to drive spending and employment up strongly together has yet to develop. The need to hire appears to exist; productivity growth has been strong, suggesting those with jobs could use some additional help. Uncertainty about expiring 2001 federal tax cuts may have kept both consumers and businesses on the fence. Fortunately, this matter was settled late last year. It is hoped the end of this uncertainty will help transform the vicious cycle into a virtuous one where hiring and spending reinforce each other. This turnaround will be gradual. National nonfarm employment is forecast to grow 1.0% this year and 1.8% annually in the remaining years of the forecast. At that pace, it will take until 2014 to regain all of the jobs lost since the 2008 peak. No doubt some will be disappointed with the recovery. Indeed, things could be better. However, the economy is moving in the right direction. And even the smallest steps forward puts the worst downturn since the Great Depression further behind us.

IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
JANUARY 2011

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
U.S. GDP (BILLIONS)												
Current \$	11,142	11,868	12,638	13,399	14,062	14,369	14,119	14,645	15,172	15,831	16,527	17,364
% Ch	4.7%	6.5%	6.5%	6.0%	4.9%	2.2%	-1.7%	3.7%	3.6%	4.3%	4.4%	5.1%
2005 Chain-Weighted	11,841	12,264	12,638	12,976	13,229	13,229	12,881	13,234	13,532	13,921	14,298	14,742
% Ch	2.5%	3.6%	3.1%	2.7%	1.9%	0.0%	-2.6%	2.7%	2.3%	2.9%	2.7%	3.1%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	36,065	39,545	42,197	46,253	49,117	50,376	48,944	50,402	51,957	54,223	56,969	60,423
% Ch	3.3%	9.6%	6.7%	9.6%	6.2%	2.6%	-2.8%	3.0%	3.1%	4.4%	5.1%	6.1%
Idaho Nonfarm (Millions)	35,242	38,210	41,022	45,163	47,538	48,555	47,716	48,895	50,429	52,682	55,429	58,877
% Ch	4.1%	8.4%	7.4%	10.1%	5.3%	2.1%	-1.7%	2.5%	3.1%	4.5%	5.2%	6.2%
U.S. (Billions)	9,378	9,937	10,486	11,268	11,912	12,391	12,175	12,503	12,900	13,409	13,999	14,787
% Ch	3.5%	6.0%	5.5%	7.5%	5.7%	4.0%	-1.7%	2.7%	3.2%	3.9%	4.4%	5.6%
PERSONAL INCOME - 2005 \$												
Idaho (Millions)	38,112	40,722	42,192	45,013	46,527	46,194	44,798	45,335	46,116	47,380	48,921	50,863
% Ch	1.3%	6.8%	3.6%	6.7%	3.4%	-0.7%	-3.0%	1.2%	1.7%	2.7%	3.3%	4.0%
Idaho Nonfarm (Millions)	37,243	39,347	41,017	43,953	45,032	44,523	43,675	43,980	44,760	46,034	47,599	49,561
% Ch	2.1%	5.7%	4.2%	7.2%	2.5%	-1.1%	-1.9%	0.7%	1.8%	2.8%	3.4%	4.1%
U.S. (Billions)	9,911	10,233	10,485	10,966	11,284	11,362	11,144	11,246	11,450	11,717	12,022	12,447
% Ch	1.4%	3.3%	2.5%	4.6%	2.9%	0.7%	-1.9%	0.9%	1.8%	2.3%	2.6%	3.5%
HOUSING STARTS												
Idaho	16,393	18,674	23,410	19,553	14,379	7,988	5,674	5,275	6,840	11,266	13,987	15,372
% Ch	23.9%	13.9%	25.4%	-16.5%	-26.5%	-44.4%	-29.0%	-7.0%	29.7%	64.7%	24.2%	9.9%
U.S. (Millions)	1,854	1,950	2,073	1,812	1,342	0,900	0,554	0,604	0,783	1,210	1,408	1,592
% Ch	8.4%	5.2%	6.3%	-12.6%	-25.9%	-32.9%	-38.4%	9.0%	29.7%	54.6%	16.4%	13.0%
TOTAL NONFARM EMPLOYMENT												
Idaho	572,545	588,052	611,681	638,834	656,219	648,875	610,403	602,249	608,472	624,890	642,419	658,847
% Ch	0.8%	2.7%	4.0%	4.4%	2.7%	-1.1%	-5.9%	-1.3%	1.0%	2.7%	2.8%	2.6%
U.S. (Thousands)	129,996	131,419	133,694	136,086	137,588	136,777	130,911	130,246	131,551	133,981	136,458	138,946
% Ch	-0.3%	1.1%	1.7%	1.8%	1.1%	-0.6%	-4.3%	-0.5%	1.0%	1.8%	1.8%	1.8%
SELECTED INTEREST RATES												
Federal Funds	1.1%	1.3%	3.2%	5.0%	5.0%	1.9%	0.2%	0.2%	0.1%	1.3%	3.4%	3.6%
Bank Prime	4.1%	4.3%	6.2%	8.0%	8.1%	5.1%	3.3%	3.3%	3.3%	4.3%	6.4%	6.6%
Existing Home Mortgage	5.7%	5.7%	5.9%	6.6%	6.5%	6.2%	5.1%	4.9%	4.6%	5.2%	6.2%	6.3%
INFLATION												
GDP Price Deflator	2.2%	2.8%	3.3%	3.3%	2.9%	2.2%	0.9%	1.0%	1.3%	1.4%	1.6%	1.9%
Personal Cons Deflator	2.0%	2.6%	3.0%	2.7%	2.7%	3.3%	0.2%	1.8%	1.3%	1.6%	1.8%	2.0%
Consumer Price Index	2.3%	2.7%	3.4%	3.2%	2.9%	3.8%	-0.3%	1.7%	1.5%	1.9%	2.0%	2.2%

National Variables Forecast by IHS GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2010

IDAHO ECONOMIC FORECAST
EXECUTIVE SUMMARY
JANUARY 2011

	2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GDP (BILLIONS)												
Current \$	14,446	14,579	14,730	14,826	14,977	15,089	15,225	15,397	15,570	15,742	15,914	16,098
% Ch	4.8%	3.7%	4.2%	2.6%	4.2%	3.0%	3.6%	4.6%	4.6%	4.5%	4.5%	4.7%
2005 Chain-Weighted	13,139	13,195	13,261	13,342	13,413	13,480	13,563	13,672	13,765	13,873	13,972	14,075
% Ch	3.7%	1.7%	2.0%	2.5%	2.2%	2.0%	2.5%	3.2%	2.8%	3.2%	2.9%	3.0%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	49,756	50,200	50,581	51,072	51,412	51,696	52,148	52,572	53,216	53,887	54,543	55,244
% Ch	5.1%	3.6%	3.1%	3.9%	2.7%	2.2%	3.5%	3.3%	5.0%	5.1%	5.0%	5.2%
Idaho Nonfarm (Millions)	48,315	48,863	49,055	49,348	49,732	50,164	50,649	51,173	51,663	52,319	53,006	53,742
% Ch	4.2%	4.6%	1.6%	2.4%	3.2%	3.5%	3.9%	4.2%	3.9%	5.2%	5.4%	5.7%
U.S. (Billions)	12,350	12,474	12,540	12,647	12,749	12,841	12,944	13,067	13,187	13,329	13,481	13,640
% Ch	3.7%	4.1%	2.1%	3.5%	3.3%	2.9%	3.2%	3.9%	3.7%	4.4%	4.6%	4.8%
PERSONAL INCOME - 2005 \$												
Idaho (Millions)	44,865	45,271	45,500	45,705	45,846	45,979	46,220	46,417	46,786	47,194	47,570	47,971
% Ch	3.0%	3.7%	2.0%	1.8%	1.2%	1.2%	2.1%	1.7%	3.2%	3.5%	3.2%	3.4%
Idaho Nonfarm (Millions)	43,566	44,065	44,127	44,162	44,349	44,617	44,892	45,182	45,420	45,820	46,229	46,667
% Ch	2.0%	4.7%	0.6%	0.3%	1.7%	2.4%	2.5%	2.6%	2.1%	3.6%	3.6%	3.8%
U.S. (Billions)	11,136	11,249	11,280	11,318	11,369	11,421	11,473	11,537	11,594	11,674	11,757	11,845
% Ch	1.6%	4.1%	1.1%	1.4%	1.8%	1.9%	1.8%	2.3%	2.0%	2.8%	2.9%	3.0%
HOUSING STARTS												
Idaho	6,717	5,574	3,601	5,207	5,523	6,093	7,374	8,371	9,454	10,690	12,055	12,866
% Ch	36.2%	-52.6%	-82.6%	337.1%	26.5%	48.1%	114.6%	66.1%	62.7%	63.5%	61.7%	29.8%
U.S. (Millions)	0.617	0.602	0.589	0.607	0.644	0.718	0.824	0.946	1.083	1.184	1.269	1.305
% Ch	42.6%	-9.4%	-8.2%	12.6%	26.9%	54.3%	73.1%	73.6%	72.0%	42.7%	32.2%	11.9%
TOTAL NONFARM EMPLOYMENT												
Idaho	602,991	603,899	600,862	601,247	603,327	606,354	610,159	614,048	618,002	622,469	627,070	632,021
% Ch	-2.2%	0.6%	-2.0%	0.3%	1.4%	2.0%	2.5%	2.6%	2.6%	2.9%	3.0%	3.2%
U.S. (Thousands)	129,697	130,392	130,339	130,558	130,850	131,281	131,728	132,344	132,970	133,648	134,324	134,982
% Ch	0.2%	2.2%	-0.2%	0.7%	0.9%	1.3%	1.4%	1.9%	1.9%	2.1%	2.0%	2.0%
SELECTED INTEREST RATES												
Federal Funds	0.1%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.2%	0.3%	0.7%	1.6%	2.5%
Bank Prime	3.3%	3.3%	3.3%	3.3%	3.3%	3.2%	3.3%	3.3%	3.3%	3.7%	4.6%	5.5%
Existing Home Mortgage	5.1%	5.1%	4.8%	4.6%	4.5%	4.5%	4.5%	4.8%	5.0%	5.1%	5.2%	5.6%
INFLATION												
GDP Price Deflator	1.0%	1.9%	2.3%	0.0%	2.0%	1.0%	1.1%	1.3%	1.8%	1.3%	1.5%	1.6%
Personal Cons Deflator	2.1%	0.0%	1.0%	2.1%	1.4%	1.1%	1.4%	1.5%	1.7%	1.6%	1.7%	1.8%
Consumer Price Index	1.5%	-0.7%	1.5%	2.7%	1.4%	1.1%	1.7%	1.9%	2.1%	1.9%	2.0%	2.1%

National Variables Forecast by IHS GLOBAL INSIGHT
Forecast Begins the THIRD Quarter of 2010

NATIONAL FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2010 through the Fourth Quarter of 2014

The national economy has been expanding since the third quarter of 2009, but it could do better. Since that time, real output has grown faster than 3.0% in just two quarters. In order for it to shift into higher gear, consumers must be willing to spend more freely. Unfortunately, in the U.S. economy, where the consumer is king, the king is not in the mood to spend. The University of Michigan consumer sentiment index hit a record low of 63.8 in 2008. Two years later it was 71.1, which was still well below average.

Consumers have several reasons to be cautious. The lack of jobs remains one of the most frustrating features of the economy. Well over a year after the official end to the recession, a couple of measures reveal why job seekers are disappointed. As of October 2010, the nation's unemployment rate was near 10% and the underemployment rate was about 17%. Consumers have also experienced a stretch of tight credit and watched their household finances deteriorate. For example, after peaking in 2007, U.S. household net worth declined by \$10.6 trillion by 2009. One of the reasons for the drop was the housing price collapse. Since 2006, the average price for an existing home in the U.S. has declined nearly 20.0%.

Consumers and businesses are stuck in an economic "Catch-22." Consumers will spend more when they regain confidence in employment, but firms will not feel very confident in hiring more people until the economy starts growing faster. The virtuous circle necessary to drive spending and employment up strongly together has yet to develop. The need to hire appears to exist; productivity growth has been strong, suggesting those with jobs could use some additional help. Both consumers and businesses had concerns about the expiration of the 2001 federal tax cuts. Fortunately, this matter was settled late last year. It is hoped the end of this uncertainty will help transform the vicious cycle into a virtuous one where hiring and spending reinforce each other.

Another positive is the nation's long-suffering housing sector should improve in 2012. After five tumultuous years, housing prices are expected to begin rising again. New housing starts, which had fallen below one million units since 2008, are projected to clear 1.2 million units next year. Sales of existing homes should once again top five million units in 2012.

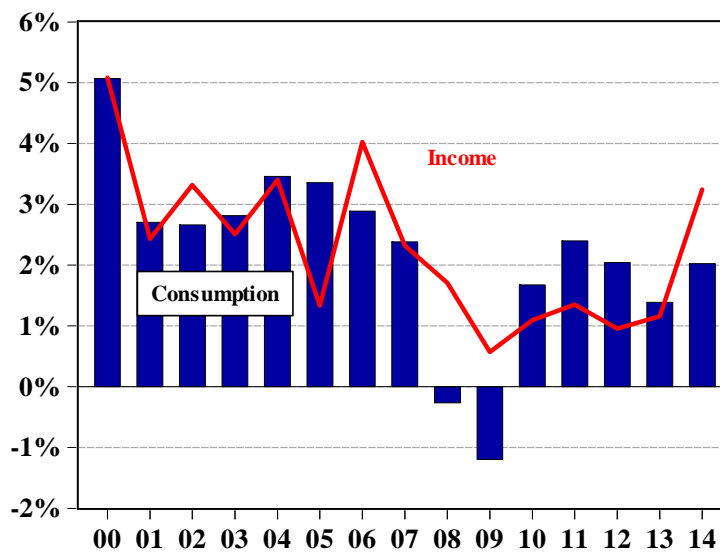
The road back to economic prosperity will be gradual. National nonfarm employment is forecast to grow 1.0% this year and 1.8% annually in the remaining years of the forecast. At that pace, it will take until 2014 to regain all of the jobs lost since the 2008 peak. The unemployment rate is expected to be 7.9% in 2014, which is above the level consistent with full employment. Real disposable income should gradually improve, and this will help real consumer spending to slowly expand. Consumers' moods should be lifted by anticipated growth of household net worth. Business investment was strong in 2010, but this did not translate to much hiring because most companies were spending to increase the efficiency of their operations, not to increase capacity. It should be more balanced in the future, and the good news is companies have lots of cash on hand to make these investments.

No doubt some will be disappointed with the recovery. Indeed, things could be better. However, the economy is moving in the right direction. And even the smallest steps forward puts the worst downturn since the Great Depression further behind us.

SELECTED NATIONAL ECONOMIC INDICATORS

Consumer Spending: It appears real consumer spending made a positive turn in 2010, but the recovery will be gradual. Consumers tightened their belts during the recession, causing spending to shrink 0.3% in 2008 and 1.2% in 2009. This period is the only time during the last half century spending has declined in two consecutive years. As a result, this single-largest component of GDP was actually a drag on the U.S. economy. It is estimated real spending grew 1.7% last year, which made it a contributor to real GDP once again. While welcome, this growth is low by historical standards. One of the reasons for this low growth is after having come through the worst downturn since the Great Depression, consumers are understandably cautious. Their mood shifts can be mapped by the changes in the University of Michigan consumer sentiment index. After peaking at 95.2 in 2004, the index drifted down to 85.6 in 2007. It then plunged to 63.8—its lowest level on record in 2008. It increased slightly to 66.3 the next year, but it was still about 20 points lower than the 50-year average. Consumers have a right to be nervous given the recent drop in household net worth, tight credit, and the weak job market. After peaking in 2007, U.S. household net worth declined by \$10.6 trillion by 2009. Over this period it dropped from being over six times disposable income to under five times disposable income. The ratio of monthly financial obligation to disposable personal income slipped from almost 19% to 18%, as credit dried up and consumers reined in spending. And despite the recession being officially over since June 2009, the unemployment remains near 10%. At present, consumers' hesitancy to spend and businesses' reluctance to hire are reinforcing each other. Consumers and businesses are stuck in a vicious cycle. Consumers will spend more when they regain confidence in employment, but firms will not feel very confident in hiring more people until the economy starts growing faster. The virtuous circle necessary to drive spending and employment up strongly together has yet to develop. Real consumer spending accounts for 70% of GDP, and it has dampened the prospects for GDP growth. Firms have been holding on to their cash, waiting for market and public policy uncertainties to be resolved before making new and hard-to-reverse investment and hiring decisions. A major uncertainty had been the expiration of the 2001 federal tax cuts. It was resolved late last year. This resolution will help turn the vicious cycle into a virtuous one. However, it will take time for the current cycle to reverse direction. Real consumer spending is forecast to increase 1.7% in 2010, 2.4% in 2011, 2.0% in 2012, 1.4% in 2013, and 2.0% in 2014.

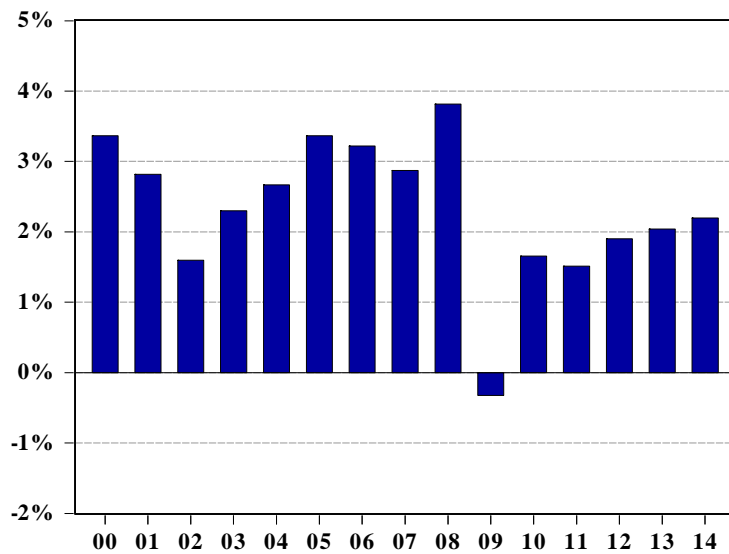
U.S. Real Consumption and Disposable Income Growth



Source: IHS Global Insight

Inflation: Inflation is expected to remain tame over the forecast period. Indeed, core inflation (total inflation less food and energy) barely has a pulse. It was reported that core inflation in October 2010 was just 0.6% higher than in the previous October. The change is the smallest 12-month increase since the inception of this concept in 1957. The primary reason for the low core inflation is low employment costs. It is estimated these costs grew just 2.0% in 2010, which is virtually the same as in 2009. Interestingly, one part of these costs, wages and salaries, actually grew just 1.6%, the result of the slack labor market. Other components grew faster. Benefits, fueled by health insurance increases, advanced

Consumer Price Inflation



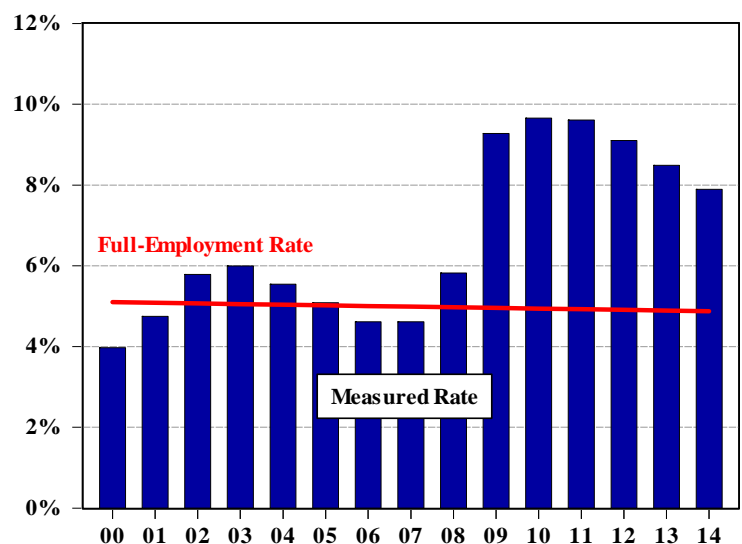
Source: IHS Global Insight

2.6% last year. Health insurance increased nearly 5.0%. Employment costs are expected to simmer slowly over the forecast period, but not boil. As the unemployment rate gradually retreats, employment costs are forecast to grow 2.0% this year, 2.1% next year, 2.3% in 2013, and 2.7% in 2014. Core inflation grows slightly slower. It is expected to be 1.3% in 2011, 1.7% in 2012, 1.9% in 2013, and 2.2% in 2014. Adding food and energy prices back into the core gives overall consumer inflation. It is forecast to be 1.5% in 2011, 1.9% in 2012, 2.0% in 2013, and 2.2% in 2014. This measure's slightly faster pace compared to core inflation is caused by sporadic boosts in food and energy prices. For example, food prices are expected to jump 2.4% in 2011 after

being almost flat the previous year. Food inflation is well below 2.0% in the next two years. Energy prices, which increased 9.1% in 2010, are forecast to grow just 1.6% in 2011. However, energy prices recover after next year, growing 5.0% in 2012, 3.7% in 2013, and 2.6% in 2014. Part of the reason for these gains is gasoline prices are projected to be \$2.96 per gallon in 2011, \$3.12 per gallon in 2012, \$3.24 per gallon in 2013, and \$3.34 per gallon in 2014. In turn, these gasoline prices reflect the rise in oil prices from \$78.67 per barrel in 2010 to \$96.27 per barrel in 2014.

Employment: Saying the U.S. labor market is telegraphing mixed signals is an understatement. October's job report was solid, although not spectacular. According to initial estimates, private payrolls climbed by 159,000 jobs—the fourth consecutive month of 100,000-plus gains, as well as the 10th consecutive month in the black. The data showed private payrolls have climbed by 1.12 million since December 2009. Despite these gains, the unemployment rate remained at 9.6%, as both household employment and the labor force retreated. Expectations were whipsawed the following month. Most economists were anticipating total (private and government) nonfarm payrolls to grow by well over a 100,000 jobs in November. Unfortunately, the economy failed to deliver. Instead, it managed to eke out just 39,000 jobs in November, and the unemployment rate increased to 9.8%. One of the biggest surprises was the 28,000-job decline in retail employment at a time when establishments were expected

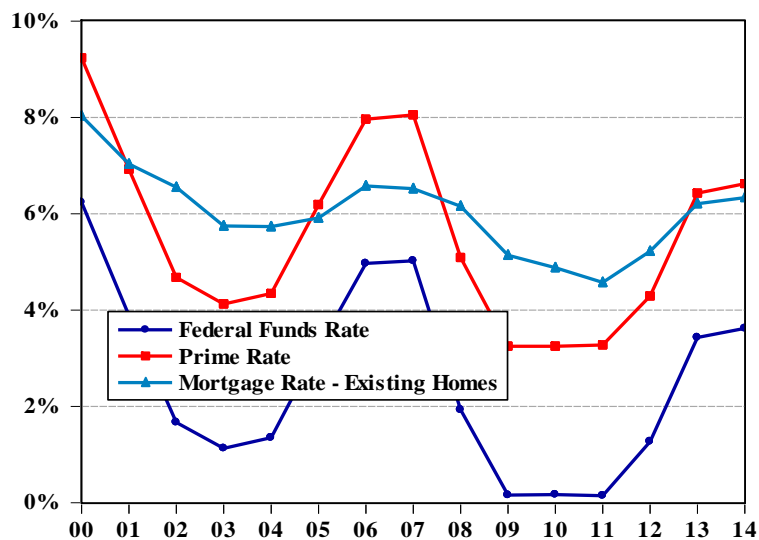
U.S. Civilian Unemployment Rate



Source: IHS Global Insight

to be hiring for the holiday shopping season. While some have tried to put a positive spin on the labor situation, November's report reinforces the outlook for a drawn out job recovery. National nonfarm employment is expected to expand 1.0% in 2011 and 1.8% in each of the remaining years of the forecast. At this clip, nonfarm employment does not surpass its previous peak until early 2014 and the unemployment rate takes even longer to recover. It is expected to be 7.6% at the end of 2014, which is over 2.5 percentage points higher than it was at the start of the recession and well above the threshold consistent with full employment. Due to the gradual labor recovery, employment costs will grow slowly over the forecast period.

Selected U.S. Interest Rates



Source: IHS Global Insight

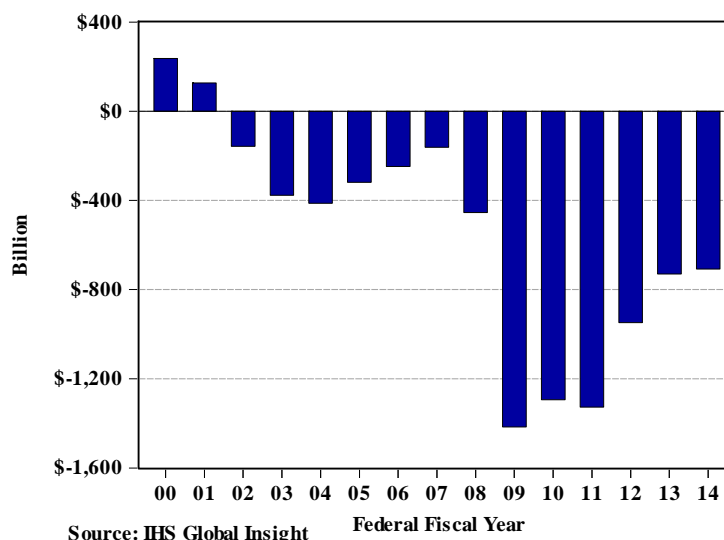
Financial Markets: The economic growth outlook is worse than the Federal Reserve has been assuming, and the deflation risks are greater. In response, the Fed launched a new \$600-billion program of Treasury purchases at its November meeting. This move had been largely anticipated. The biggest effects of this second round of quantitative easing—driving down long-term interest rates and the dollar—are probably already in the market, so it is not expected to give a major boost to growth. But it is, at present, the only policy game in town. Chairman Bernanke's plan goes as follows. Purchase \$600 billion worth of longer term Treasury bills by raising the reserves of member banks. This move drives the price of these financial

instruments. Since prices and interest rates move in opposite directions, longer term interest rates should decline. Ordinarily such a move would fuel inflationary pressures because banks would lend the increased reserves and this would increase aggregate demand. However, there are several reasons Chairman Bernanke believes inflation will not be a problem. First, banks have been sitting on reserves, not lending them. According to the Federal Reserve Bank of New York, member banks have nearly a trillion dollars in excess reserves. Second, there is enough idle capacity in the economy available to supply any increase in demand. Third, the Federal Reserve can tolerate a little inflation because it would help regain the use of other policy tools. For example, the federal funds rate is virtually zero, so it cannot be lowered further to help the economy. Higher inflation would allow more room to move this bellwether short-term rate. Indeed, this forecast assumes the central bank will not move interest rates until March 2012. Fourth, with inflation low and the economy soft, the Federal Reserve is worried about deflation. Fifth, the central bank believes it has the tools necessary to contain inflation if it does start to heat up.

Government: As the November 2010 national economic forecast was being prepared, Congress had not dealt decisively with the expiring provisions of the *Economic Growth and Tax Relief Reconciliation Act of 2001*. Several assumptions were made regarding fiscal policy. All of the tax cuts would be extended on a temporary basis. It was assumed tax increases for high earners would be delayed until 2012. On December 17, 2010, President Obama signed the *Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010* into law. The bill contained some of the following provisions: a two-year

extension of the Bush-era individual income tax cuts; a temporary fix to the Alternative Minimum Tax; an extension of the research and development credit; and an expanded incentive for business investment in the form of 100% upfront depreciation in 2011 for equipment and software. The “Making Work Pay” tax credit expired in 2010. However, there is a one-year reduction in the employee Social Security contribution rate of two percentage points. In the state and local government sector, tax revenues are down sharply, but beginning to stabilize. Federal support for current spending has been extended through \$26 billion in additional aid, and support from the initial ARRA is still coming through. The outlook for the state and local government sector calls for roughly flat spending and future employment declines.

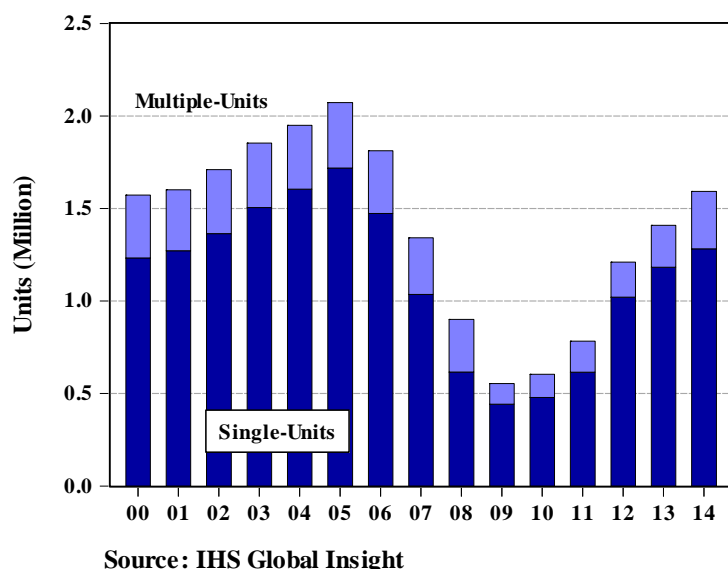
U.S. Federal Government Surplus Unified Basis



Housing: Conditions in the housing market remain poor. Housing starts fell to their lowest level in 18 months in October, as multi-family starts plunged. The news on permits was not as bad as for starts. Single-family housing permits—perhaps the best indicator of housing activity—edged slightly higher after six straight declines. Multi-family permits were essentially flat. Existing home sales improved in August and September, but this market remains extremely weak. The Pending Home Sales Index slipped 1.8% in September, while the Mortgage Bankers Association’s Purchases Index has remained flat since May, indicating that existing home sales are unlikely to have improved in October and November. New home sales were also stuck near the bottom in September. Real spending on residential fixed investment,

boosted by the homebuyers’ tax credit, jumped 26% in the second quarter. But in the third quarter, it gave these gains back, tumbling 29% to its lowest level since the first quarter of 1983. As a share of GDP, it fell to a postwar low. Home prices fell in nearly half of U.S. metropolitan areas during the third quarter, according to the National Association of Realtors, more evidence that the market is losing steam without government tax credits. The seasonally adjusted homeownership rate slipped 0.2 percentage point, to 66.7%—its lowest reading since the second quarter of 1999. The key for housing going forward is employment growth. New jobs will require that new homes be built nearby. More important, the household

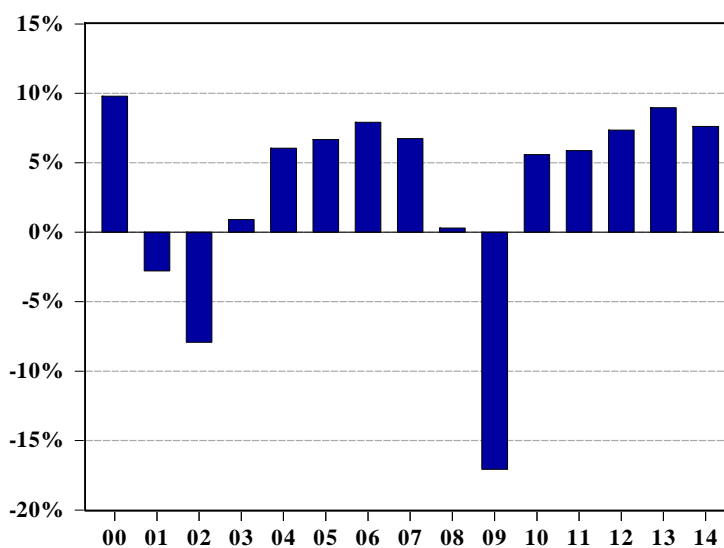
U.S. Housing Starts



formation rate will pick up once job growth takes off. Increases in the household formation rate will then reduce the housing glut, which will stimulate new construction. Overall, the economy is expected to add about 900,000 jobs during 2010, followed by 1.8-million more in 2011 and 2.6-million more in 2012. These jobs will help housing starts bounce back from a postwar low of 554,000 units in 2009 to 604,000 units in 2010, 783,000 units in 2011, and 1.21 million in 2012. Housing prices are projected to drop further because the foreclosure rate is still rising and the housing glut remains near a record high. The Federal Housing Finance Agency house price index (purchase only) should fall another 9% from its second-quarter 2010 level, hitting bottom in the first half of 2011. The 30-year fixed interest mortgage rate is expected to remain low by historical standards for quite a while. It should stay below 5.0% until the second half of 2012. Also, this forecast assumes that the recent freeze on foreclosures by some banks reduces sales by about 200,000 units (annual rate) in the fourth quarter, but raises sales by a corresponding amount in the first half of 2011, as banks lift the freeze.

Business Investment: The forecast for overall business investment masks big differences in the outlooks for its components. Real nonresidential fixed investment is expected to increase 5.9% this year, 7.3% next year, 9.0% in 2013, and 7.6% in 2014. However, a closer look reveals how growth will vary by sector. Healthy corporate balance sheets, low financing costs, order backlogs, and the need to replace aging equipment should keep equipment and software (E&S) investment humming for a while. However, since some categories such as agricultural and construction equipment have been climbing at unsustainable rates, and because demand for high-technology equipment appears to be slowing, growth is expected to be moderate. The forecast is for broad-based, double-digit growth in E&S investment during 2010 and 2011, but “only” 9% growth in 2012, adding about 0.8 percentage point to GDP growth on average during these three years. The composition of spending is anticipated to change. Spending on information equipment and software, which accounted for 60% of E&S investment at the end of 2009, should account for about 51% by the end of 2013. Transportation equipment’s share, on the other hand, is projected to nearly double during these years, from 8% in 2009 to 15.5% in 2013. The future for structures is not as bright. The outlook for nonresidential structures is for another year of painful declines. Spending on nonresidential structures is expected to hit bottom in the fourth quarter of 2011. The decline is broad-based and deep. Manufacturing should plummet 31% in 2010 and 20% in 2011. Commercial and healthcare is projected to drop 26% in 2010. “Other structures” (which includes education, recreation, religious, and lodging structures) should also drop 26% in 2010. Real spending declines in structures moderate from 13.8% in 2010 to 6.7% in 2011.

Real Business Investment



Source: IHS Global Insight

IDAHO FORECAST DESCRIPTION

The Forecast Period is the Third Quarter of 2010 through the Fourth Quarter of 2014

The outlook for Idaho's economy has changed little since October 2010. Namely, after suffering a weak year in 2010, the economy should take small steps toward a recovery in 2011. Growth should accelerate after that year, but it is not expected to gallop. Idaho nonfarm employment shrank 1.3% in 2010. It is forecast to grow 1.0% this year. It is then expected to grow about 2.7% through 2014. At that pace, it finally clears its 2007 peak by about 2,600 jobs in 2014.

Once it is under way, the state's employment recovery should be balanced. Leading the charge will be the services and trade sectors. Their return to growth is especially important because these sectors combined are the largest share of the state's economy. Services employment is expected to grow about 2.0% this year followed by about 3.0% annual growth through 2014. Trade employment will grow more slowly, about 2.4% in each year of the forecast. The combined services and trade sectors are expected to make a disproportionately positive impact on employment. Although they account for about two-thirds of existing nonfarm jobs, they will account for over 80% of the jobs created over the forecast period.

Goods-producing employment is anticipated to be a mixed bag. Manufacturing employment is forecast to expand in every year beginning with 2011. Over the next few years it will add nearly 7,000 jobs. While this is a welcome change from recent losses, it will fall short of its 2007 peak of 68,100 jobs. It should be noted that the state's high-tech sector's employment is projected to remain stable over the next few years, which is a vast improvement from the declines it experienced through the first decade of the new millennium. Mining should also advance over the forecast period. Actually, it has already started. It added about 100 jobs in 2010. There should be about 2,700 mining jobs in 2014, which is much more than the recent low of 2,200 jobs in 2009.

Two exceptions worth noting are housing and construction. In the previous forecast, it was predicted that Idaho housing starts would begin recovering in the second half of 2010. Specifically, they would bounce from 5,700 annual units in the second quarter to 6,900 annual units in the third quarter. New data show this did not occur. Housing starts actually dropped to 3,600 annual units in the third quarter—their lowest level since the first quarter of 1989. Because of this decline, the forecast for housing starts has been lowered from the previous forecast. The construction employment forecast has also been reduced. Instead of averaging 3.3% annual growth through 2014, construction employment grows 2.9% per year. As a result, there are 1,100 fewer jobs in 2014 in the current forecast compared to the previous one.

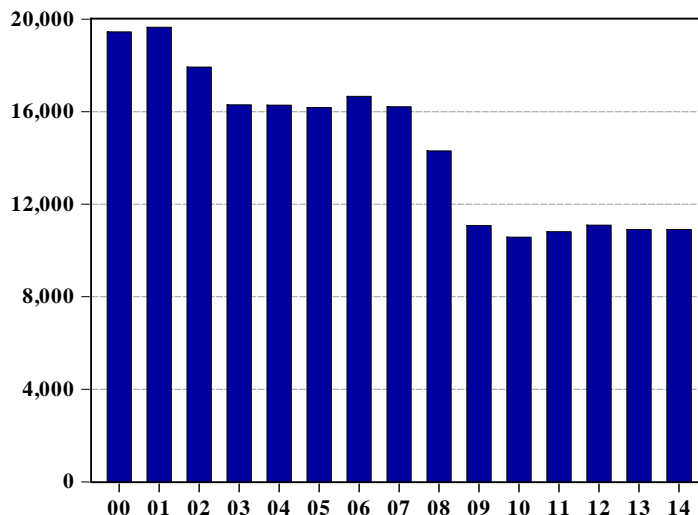
Idaho nominal personal income also expands gradually over the forecast period. Last year's employment decline held personal income growth to an estimated 3.0%. Recovering employment should help income growth accelerate over the forecast period. Specifically, it increases 3.1% in 2011, 4.4% in 2012, 5.1% in 2013, and 6.1% in 2014. Idaho real personal income grows 1.7% in 2011, 2.7% in 2012, 3.3% in 2013, and 4.0% in 2014 in this forecast.

SELECTED IDAHO ECONOMIC INDICATORS

Computer and Electronics: Idaho computer and electronics employment has been whipsawed over the last two decades. During the 1990s, this sector was one of Idaho's strongest and most consistent job engines. Over the period from 1991 to 2000, this sector's employment increased an average of 7% annually, which far exceeded the 4% pace for total nonfarm employment. Thanks to this growth, the sector became the Gem State's largest manufacturing employer in 1997 and in 2000 it accounted for 3.5% of the state's total job base. Employment peaked at 19,700 jobs in 2001. It was knocked off this perch by the high-tech implosion; employment fell by 9% in both 2002 and 2003. But these declines were just the start. This sector shed jobs in six of the next seven years,

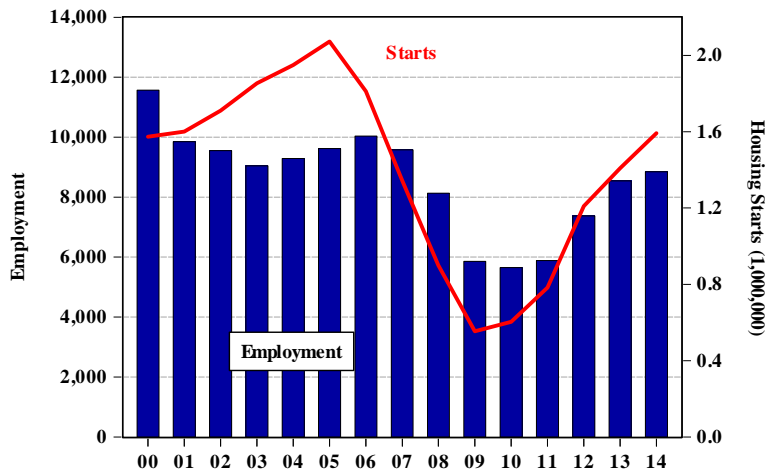
with the most severe declines coming in 2008 (11.8%) and 2009 (22.5%). After the dust had settled there were about as many jobs at the end of 2009 as there were in 1991. It returned the title of the state's largest manufacturing employer to the food processing sector in 2008. And its share of total employment had shrunk from a peak of 3.5% at the decade's start to 1.8% in 2010. But it appears the worst is behind this sector. There are several reasons for guarded optimism about this sector's outlook. First, Micron Technology is once again in the black. The company has also made moves to diversify, which should make it less vulnerable to future downturns. For example, the company beefed up its product line by acquiring Numonyx. This Swiss company produces NOR memory which is used in the fast growing mobile devices markets. The company has also diversified its business by leveraging its decades of manufacturing expertise in developing new solar power technology with Australian-based Origin Energy. The new company, Transform Solar, already employs 70 workers and plans to add another 50. Other high-tech companies are also making positive changes. Hewlett-Packard announced it is lifting its freeze on raises. ON Semiconductor employs 630 workers in Pocatello. It recently announced it was undertaking an \$11 million expansion that should bring more jobs to the Gateway City. Idaho is also participating in the green energy movement. Inovus Solar is a Boise-based renewable outdoor lighting company. It is a pioneer in the manufacturing of LED (light-emitting diode) lighting. The Ridgeline Energy and BP Wind Energy Goshen North Wind Farm is completed. Its 83 400-foot turbines are producing enough electricity for 37,000 homes. Exergy Development Group, GE Energy Financial Services, and Reunion Power are partners in the \$500-million Idaho Winds Project. The project is expected to employ 175 temporary construction employees and permanent workers. After several years of declines, Idaho computer and electronics sector employment is forecast to hover near 11,000 jobs through 2014.

Idaho Computer and Electronic Products Employment



Logging and Wood Products: Gem State logging and wood products employment is forecast to expand beginning this year, after suffering several years of decline. Fueling this turnaround is the expected demand for wood products from the recovering national housing sector. Housing starts are expected to increase nearly 30% this year, 55% next year, 16.4% in 2013, and 13.0% in 2014. In order to meet this

Idaho Wood Product Employment and U.S. Housing Starts

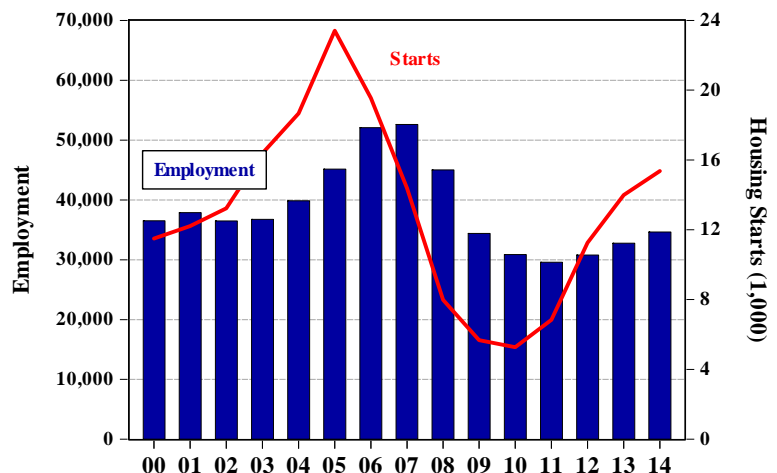


recovering demand, wood production is projected to increase 3.7% in 2011, 20.0% in 2012, 9.6% in 2013, and 3.0% in 2014. This anticipated strong demand will act as a countervailing force to supply factors that have exerted relentless downward pressures on logging and wood products employment. They include the dwindling supply of logs from national forests. According to the U.S. Forest Service, the timber harvest from Idaho national forests dropped from 172.0 million board feet in 1999 to 121.2 million board feet in 2008. The June 2008 edition of *Random Lengths Yardstick* reported there are about half as many mills in

the inland region as there were 20 years ago, and the inland region's share of North American (U.S. and Canada) production has dwindled from 18% to 8%. Despite the industry's downsizing, excess capacity remains a challenge. It is estimated the industry can produce 20% to 25% more lumber than is being consumed in North America. Idaho lumber and wood products employment hit a trough of 5,700 jobs in 2010, which was about 40% below its 2006 peak of 10,000 jobs. It is projected to grow in each year of the forecast, but it is not fast enough to top its previous peak.

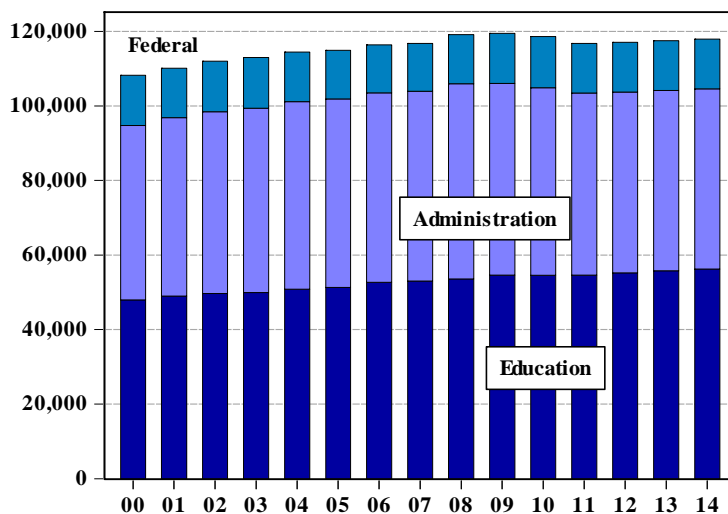
Construction: The construction sector is expected to be a latecomer to the state's economic recovery. While manufacturing and mining are forecast to experience employment gains this year, construction is forecast to shed another 1,300 jobs in 2011. This year marks the fourth straight year its employment has dropped. These declines follow five consecutive years of strong growth. A look back at over the last few years provides a perspective of how high employment has grown and how much it has fallen. Housing starts heated up from 11,500 units in 2000 to a peak of 23,400 units in 2005. Construction employment had a longer fuse, but exploded from 36,700 jobs in 2003 to its peak of 52,100 jobs in 2007—an annual increase of 9.4%. At its peak, construction accounted for one of every twelve Idaho nonfarm jobs, up from one of every sixteen jobs in 2002. The construction sector's decline has been steeper than its climb. It gained about 16,100 jobs in five years from its trough to peak, but lost more than 21,400 jobs just three years after the peak. It is expected to shrink another 1,300 jobs in 2011. After this year, construction employment is projected to gradually expand to 34,600 jobs by 2014. Again, some perspective is in order. Despite its

Idaho Construction Employment and Housing Starts



anticipated growth, construction employment comes nowhere close to regaining its previous peak. Instead, there are about as many jobs in 2014 as there were in 2009. Alternately, construction employment accounts for one out of every twenty jobs in 2014. The reason for this subdued performance is the housing sector recovery starts from an extremely low level. Idaho housing starts are forecast to bottom out at 5,300 units in 2010—its lowest annual level since 1989. Over the forecast period, housing starts will claw back to 15,400 units in 2014, which is slightly above where they were in 2007. It should be noted this outlook is slightly weaker than the one that presented in the previous forecast. It is lower because the housing recovery starts later and is not as strong as in the previous forecast. In October 2010, it was forecast housing starts would begin growing in the second half of 2010 and climb to 14,300 units by 2013. Recent data show that instead of rising in the third quarter of 2010, Idaho housing starts sank to 3,600 units, which were about 2,500 fewer units than was expected in October 2010. The third quarter's drop has both lowered the starting point and trajectory of the housing forecast. There are projected to be 14,000 units in 2013, or 300 fewer than projected earlier.

Idaho Government Employment



Government: Slower population growth and tighter budgets caused Idaho state and local government employment to fall in 2010. And the negative impacts from these two factors are expected to linger long into the near future. State and local government employment is forecast to drop again in 2011 and remain flat in the forecast's remaining years. The positive correlation between population and government employment growth is well established. This relationship exists because growing populations put more demands on government services, such as public schools and police protection. In Idaho, the largest swings in population come from net migration. For example, the state's population increased 2.6% in

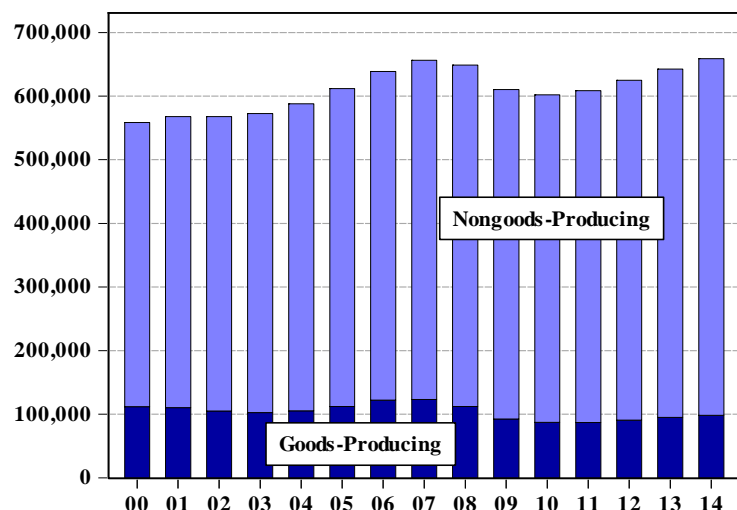
2006—its strongest annual gain for the decade. Nearly two-thirds of the increase came from net migration. The remainder was the amount of natural population growth, the amount of births over deaths. It is estimated the state's population grew just 1.3% in 2010. In this slow-growth year, migration accounted for just about a quarter of all new Idahoans and natural population made up the remainder. Migration tapered off last year for two primary reasons. The first is the widespread economic downturn. One reason people move is to seek better opportunities. In the past, Idaho's strong economy was a draw for newcomers. However, the Gem State's economy was not spared the impact from the Great Recession, so it was less attractive to job seekers than in the past. Second, the housing crises prevented homeowners from moving because they could not sell their houses, even if jobs were available elsewhere. But weaker population growth was not the only reason for last year's drop in state and local government employment. The drop also reflected the impact of falling government revenues. For example, the state's General Fund revenues plunged 15.2% in FY 2009 and by another 8.2% in FY 2010. The pain from weak collections extends beyond state government because Idaho cities and counties participate in revenue sharing from the state sales tax. While there has been plenty of fiscal pain to go around, its impact was not uniform. Hardest hit was the noneducation sector whose job base shrank about 2% for the second year in a row in 2010. Education employment declined just 0.1%. Over

the forecast period, education employment is expected to fare better than noneducation employment. Specifically, education employment should gain about 1,700 jobs by 2014, while the noneducation sector's payroll is forecast to shed another 2,000 jobs. Thanks to the needs for the U.S. census, federal employment in Idaho actually grew last year by 2.1%. Hiring for this once-a-decade project bulged to a peak of 2,600 jobs in May 2010, which pushed total federal government employment in Idaho above 16,000 jobs. With the census now completed, federal employment is expected to have dropped to 13,500 jobs by the end of 2010. It should remain near this level over the forecast period.

Other Goods-Producing Sectors: Most of the state's other manufacturing sectors should see their employment start expanding again over the next two years. Food processing is the Gem State's largest manufacturing employer. This cornerstone industry shed about 450 jobs over the last two years. However, its job count is expected to grow in every year of the forecast. Its recovery will be slow at first, with a gain of 140 jobs in 2011. However, it should shift into higher gear after that year, growing by about 400 jobs in both 2012 and 2013 and by 300 jobs in 2014. Machinery employment took big hits in both 2009 and 2010. It is forecast to start expanding again this year, but it is not expected to regain its previous peak. Specifically, after four years of growth, there is expected to be about 2,600 jobs in this sector, or about 500 fewer jobs than in 2008. Instead of falling in 2010, Idaho metal fabrication employment was flat. It is forecast to expand faster than the machinery sector, so that by 2014 its employment is 5,300 jobs—or about 600 more jobs than in 2008. Not all sectors will expand, however. The ebb and flow of the economy should leave other nondurable manufacturing employment in 2014 about where it was in 2008. The printing sector is expected to continue shedding jobs over the next few years, so that by 2014 it has over 600 fewer jobs than in 2008. Chemical employment is also slated to decline, but its drop will not be as steep as the printing one. It will lose about 200 jobs over the same period. Mining employment got a head start on most sectors by increasing 4.0% in 2010. It is scheduled to continue posting consistent gains through 2014, so it tops 2,700 jobs—which is about 100 more jobs than in 2008.

Services and Trade: After suffering declines in 2009 and 2010, the state's largest private employment sector, nongoods, is expected to be one of Idaho's growth engines over the forecast period. This sector's return to growth is especially important because it is the largest private employer in the state. It can be divided into its services and trade categories. Combined, these two categories accounted for two-thirds of the Idaho's total nonfarm payroll in 2010. The services category consists of information services; financial activities; transportation, warehousing, and utilities; professional and business services; education and health services; leisure and hospitality services; and other services. This category recently received some much-welcomed good news. After sitting idle since early 2010, Dell Computer's former Twin Falls call center has a new resident. C3 is a Miami-based company that could bring up to 1,200 jobs to the site. Convergys is in the process of filling 200 full- and part-time positions at its Pocatello call center. In late October, Allstate Insurance Company announced

Idaho Nonfarm Employment



it was building a \$22 million customer information center in the Pocatello-Chubbuck area. It is expected to be completed in about a year and will employ 500 to 600 workers. In Lewiston, Regence Blue Shield is filling about 45 positions. The hiring will restore about half the jobs lost during the recession. Unfortunately, not all the recent news has been positive. For example, Supervalu (formerly Albertsons) has laid off 60 people at its Boise administrative offices. However, on net, the gains should offset the losses. Services employment is expected to advance 2.3% this year, 3.2% next year and in 2013, and 3.0% in 2014. The trade category is split between its retail and wholesale components. The former is the larger of the two, with almost a 75% share of total trade employment. Like the services sector, the trade sector fell on hard times recently. In fact, it began losing jobs one year before the services sector. From its peak in 2007 to 2010, this sector has shed over 10,500 jobs, or 9.5% of its employment base. These declines are not expected to continue. Trade employment is forecast to increase 1.5% in 2011, 2.4% in 2012, 2.7% in 2013, and 2.9% in 2014. Retail trade is expected to grow slightly faster than wholesale trade over this period. The combined services and trade sectors are expected to make a disproportionately positive impact on employment. Although they account for about two-thirds of existing nonfarm jobs, they will account for over 80% of the jobs created over the forecast period.

FORECASTS COMPARISON

Idaho has a dynamic economy whose growth is influenced by a myriad of local, national, and international factors. Therefore, changes to the projected values of such diverse variables as oil prices, interest rates, and national housing starts can have an effect at the state level. In order to account for the effects of such changes on the state's economy, each issue of the *Idaho Economic Forecast* uses IHS Global Insight's most recent forecast of the U.S. economy. Additional data, such as company-specific expansions and/or contractions are also considered.

The following comparison table shows how the outlooks for several key Idaho and national economic series have changed from the October 2010 to the January 2011 *Idaho Economic Forecast*. The January 2011 *Idaho Economic Forecast* is based on IHS Global Insight's November 2010 baseline U.S. macroeconomic forecast and the October 2010 *Idaho Economic Forecast* is driven by IHS Global Insight's October 2010 baseline forecast.

Several key indicators show the outlook for the national economy has changed little from the October 2010 forecast. As the accompanying table shows, real output is virtually the same as in the previous forecast. Specifically, this measure is no more than 0.2% higher in any year than its October 2010 counterpart. Likewise, the forecast for U.S. real personal income is also within 0.2% of its previous forecast. However, unlike output, it is slightly lower than was projected in October 2010. The employment change is a hybrid of the output and income changes. That is, the current nonfarm employment forecast is slightly higher than was predicted last October in both 2010 and 2011, but it is lower than in the previous forecast in 2012 and 2013. This pattern reflects changes to the national nongoods-producing sector employment forecast. It, too, is higher in the first two years of the forecast than was previously projected and lower in the latter two years. National goods-producing employment is higher than its predecessor in each year, but not by a significant amount. Interest rates and inflation are virtually the same as was forecast in October 2010.

The current Idaho outlook has been lowered from the one that was published in October 2010. The forecast for Idaho nominal personal income has been lowered by about 0.7% in each year of the forecast. As a result, Idaho nominal personal income is about \$325 million lower in 2013 than in the previous forecast. Adjusting for inflation slightly lowers the percent difference between the current and previous forecasts to about 0.6%. The state's employment forecast has also been reduced by a small amount each year. The cumulative impact of these small changes is there are 3,500 fewer jobs in 2013 than in the previous forecast. More than half of that year's reduction (1,900 jobs) is in the construction sector. This change reflects the negative impact of the lower housing starts forecast in the current forecast. Specifically, there are 2,900 fewer starts forecasted for 2011, 1,900 less starts in 2012, and 300 fewer starts in 2013.

**IDAHO ECONOMIC FORECAST
FORECASTS COMPARISON
DIFFERENCES BETWEEN
JANUARY 2011 AND OCTOBER 2010 FORECASTS**

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
U.S. GDP (BILLIONS)										
Current \$	0	0	0	0	0	0	15	8	-5	11
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.0%	0.1%
2005 Chain-Weighted	0	0	0	0	0	0	13	22	8	13
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.1%	0.1%
PERSONAL INCOME - CURR \$										
Idaho (Millions)	0	0	0	0	0	0	-95	-350	-395	-327
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.7%	-0.7%	-0.6%
U.S. (Billions)	0	0	0	0	0	0	-12	-17	-27	-17
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.2%	-0.1%
PERSONAL INCOME - 2005 \$										
Idaho (Millions)	0	0	0	0	0	0	-85	-279	-327	-290
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.6%	-0.7%	-0.6%
U.S. (Billions)	0	0	0	0	0	0	-11	-7	-19	-17
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%	-0.2%	-0.1%
TOTAL NONFARM EMPLOYMENT										
Idaho	-1	-1	-1	-1	0	-1	-1,590	-3,841	-4,106	-3,531
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.6%	-0.7%	-0.5%
U.S. (Thousands)	0	0	0	0	0	0	46	186	-273	-506
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-0.2%	-0.4%
GOODS PRODUCING SECTOR										
Idaho	0	0	0	1	1	0	-579	-1,883	-2,617	-2,191
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.7%	-2.1%	-2.8%	-2.3%
U.S. (Thousands)	0	0	0	0	0	0	16	35	7	29
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%	0.0%	0.2%
NONGOODS PRODUCING SECTOR										
Idaho	-1	-1	-2	-2	-1	-1	-1,011	-1,958	-1,489	-1,339
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.4%	-0.3%	-0.2%
U.S. (Thousands)	0	0	0	0	0	0	31	150	-280	-536
% Difference	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	-0.2%	-0.5%
SELECTED INTEREST RATES										
Federal Funds Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bank Prime Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Existing Home Mortgage Rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.3%	0.0%
INFLATION										
GDP Price Deflator	0.000	0.000	0.000	0.000	0.000	0.000	0.013	-0.119	-0.098	-0.025
Personal Cons Deflator	0.000	0.000	0.000	0.000	0.000	0.000	-0.001	-0.076	-0.046	0.022
Consumer Price Index	0.000	0.000	0.000	0.000	0.000	0.000	0.001	-0.001	0.000	0.001

Forecast Begins the **THIRD** Quarter of 2010

ALTERNATIVE FORECASTS

IHS Global Insight has assigned a 65% probability of occurrence to its November 2010 baseline forecast of the U.S. economy. The major features of this forecast include:

- Real GDP expands 2.7% in 2010, 2.3% in 2011, 2.9% in 2012, 2.7% in 2013, and 3.1% in 2014;
- U.S. nonfarm employment drops 0.5% in 2010, grows 1.0% in 2011, increases 1.8% in 2012, rises 1.8% in 2013, and grows 1.8% in 2014;
- After peaking at 10% at the end of 2009, the annual U.S. civilian unemployment rate falls gradually to 7.6% by the end of 2014;
- consumer inflation is 1.7% this year, 1.5% next year, 1.9% in 2012, 2.0% in 2013, and 2.2% in 2014;
- the current account deficit is \$495 billion in 2010, \$486 billion in 2011, \$496 billion in 2012, \$528 billion in 2013, and \$520 billion in 2014; and
- the federal unified budget deficit is \$1.29 trillion in 2010, \$1.33 trillion in 2011, \$948 billion in 2012, \$730 billion in 2013, and \$708 billion in 2014.

OPTIMISTIC SCENARIO

IHS Global Insight's *Optimistic Scenario* has been assigned a 15% probability of occurrence. In this scenario, the private-sector recovery at last springs to life. The plus from more monetary stimulus offsets the drag from waning fiscal stimulus (and less push from inventory building) as 2009 stimulus dollars run out. The improved economic environment does not rely on any extra stimulus above that in the baseline, but instead on a revival in private-sector confidence. In addition, the standard optimistic scenario assumption of stronger total factor productivity growth is also in place. Higher productivity supports lower inflation and stronger income growth over the long term—but in the short term, a more vigorous recovery means that prices push higher than in the baseline particularly for commodities such as oil. With credit channels functioning more normally, business fixed investment rebounds 11.0% in 2011 (versus 5.9% in the baseline). The recovery in residential investment is also stronger in the optimistic scenario, with housing starts rising to 911,000 units in 2011 (versus 783,000 units in the baseline). The *Optimistic Scenario* also assumes a faster growth rate for global GDP, along with a dollar that is initially weaker than its baseline value. Exports increase 11.7% in 2011, compared with 8.2% in the baseline. Looking further ahead, the robust U.S. growth eventually boosts the dollar above its baseline value by the third quarter of 2012. Compared with the baseline, the *Optimistic Scenario* initially assumes higher energy prices through 2011, due to stronger global demand, but subsequently assumes lower prices in 2012 and beyond due to a more optimistic assumption about supply.

On net, these national assumptions produce a much brighter economic outlook than in the baseline. Real GDP accelerates to 4.0% in the fourth quarter of 2010, and then remains at or above that rate through the end of 2011. Real growth averages 2.8% in 2010 and 3.8% in 2011. The unemployment rate begins dropping almost immediately, falling half of a percentage point from its October level of 9.6% in just six months, a full percentage point over the next twelve months, and two percentage points over the next two years. Inflation implications of the stronger growth in the *Optimistic Scenario* are modest. Initially, consumer prices do rebound more sharply than in the baseline, but lower oil prices and improved productivity growth bring the CPI's year-on-year inflation rate below its baseline pace by the second half of 2012. In short, the *Optimistic Scenario* sees a stronger and more-stable growth profile than the baseline, but without adverse consequences for the long-term inflation outlook.

IDAHO ECONOMIC FORECAST

BASELINE AND ALTERNATIVE FORECASTS

JANUARY 2011

	BASELINE				OPTIMISTIC				PESSIMISTIC			
	2011	2012	2013	2014	2011	2012	2013	2014	2011	2012	2013	2014
U.S. GDP (BILLIONS)												
Current \$	15,172	15,831	16,527	17,364	15,457	16,334	17,068	17,887	14,745	15,081	15,742	16,573
% Ch	3.6%	4.3%	4.4%	5.1%	5.4%	5.7%	4.5%	4.8%	0.8%	2.3%	4.4%	5.3%
2005 Chain-Weighted	13,532	13,921	14,298	14,742	13,744	14,257	14,694	15,200	13,201	13,371	13,700	14,088
% Ch	2.3%	2.9%	2.7%	3.1%	3.8%	3.7%	3.1%	3.4%	-0.1%	1.3%	2.5%	2.8%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	51,957	54,223	56,969	60,423	52,484	55,975	59,400	63,130	51,118	51,424	53,161	56,425
% Ch	3.1%	4.4%	5.1%	6.1%	4.1%	6.7%	6.1%	6.3%	1.5%	0.6%	3.4%	6.1%
U.S. (Billions)	12,900	13,409	13,999	14,787	13,074	13,804	14,426	15,175	12,665	12,827	13,369	14,230
% Ch	3.2%	3.9%	4.4%	5.6%	4.5%	5.6%	4.5%	5.2%	1.4%	1.3%	4.2%	6.4%
PERSONAL INCOME - 2005 \$												
Idaho (Millions)	46,116	47,380	48,921	50,863	46,272	48,667	51,142	53,588	45,714	45,131	45,537	47,160
% Ch	1.7%	2.7%	3.3%	4.0%	2.1%	5.2%	5.1%	4.8%	0.8%	-1.3%	0.9%	3.6%
U.S. (Billions)	11,450	11,717	12,022	12,447	11,526	12,002	12,420	12,882	11,326	11,257	11,451	11,894
% Ch	1.8%	2.3%	2.6%	3.5%	2.5%	4.1%	3.5%	3.7%	0.7%	-0.6%	1.7%	3.9%
TOTAL NONFARM EMPLOYMENT												
Idaho	608,472	624,890	642,419	658,847	610,914	636,634	665,035	689,211	603,306	603,445	604,192	613,129
% Ch	1.0%	2.7%	2.8%	2.6%	1.4%	4.2%	4.5%	3.6%	0.2%	0.0%	0.1%	1.5%
U.S. (Thousands)	131,551	133,981	136,458	138,946	132,794	136,305	139,210	141,722	129,998	130,502	132,300	134,758
% Ch	1.0%	1.8%	1.8%	1.8%	1.9%	2.6%	2.1%	1.8%	-0.2%	0.4%	1.4%	1.9%
GOODS-PRODUCING SECTOR												
Idaho	86,823	90,932	95,162	98,305	88,815	94,889	100,046	104,592	83,504	83,273	85,519	86,948
% Ch	-0.4%	4.7%	4.7%	3.3%	1.8%	6.8%	5.4%	4.5%	-4.1%	-0.3%	2.7%	1.7%
U.S. (Thousands)	18,113	18,561	19,390	20,080	18,506	19,233	20,074	20,745	17,644	17,518	18,302	19,175
% Ch	0.7%	2.5%	4.5%	3.6%	2.8%	3.9%	4.4%	3.3%	-1.9%	-0.7%	4.5%	4.8%
NONGOODS-PRODUCING SECTOR												
Idaho	521,649	533,958	547,257	560,542	522,098	541,745	564,990	584,619	519,802	520,171	518,674	526,181
% Ch	1.3%	2.4%	2.5%	2.4%	1.4%	3.8%	4.3%	3.5%	0.9%	0.1%	-0.3%	1.4%
U.S. (Thousands)	113,438	115,420	117,068	118,866	114,288	117,071	119,136	120,977	112,354	112,984	113,999	115,583
% Ch	1.1%	1.7%	1.4%	1.5%	1.8%	2.4%	1.8%	1.5%	0.1%	0.6%	0.9%	1.4%
SELECTED INTEREST RATES												
Federal Funds	0.1%	1.3%	3.4%	3.6%	1.1%	2.7%	3.3%	3.4%	0.1%	0.4%	3.7%	5.3%
Bank Prime	3.3%	4.3%	6.4%	6.6%	4.2%	5.8%	6.3%	6.4%	3.3%	3.4%	6.7%	8.3%
Existing Home Mortgage	4.6%	5.2%	6.2%	6.3%	5.7%	5.9%	5.9%	5.9%	4.2%	5.4%	7.0%	7.8%
INFLATION												
GDP Price Deflator	1.3%	1.4%	1.6%	1.9%	1.6%	1.9%	1.4%	1.3%	0.9%	1.0%	1.9%	2.4%
Personal Cons Deflator	1.3%	1.6%	1.8%	2.0%	2.0%	1.4%	1.0%	1.4%	0.6%	1.9%	2.5%	2.5%
Consumer Price Index	1.5%	1.9%	2.0%	2.2%	2.2%	1.7%	1.2%	1.6%	0.7%	2.3%	2.8%	2.7%

Forecast Begins the **THIRD** Quarter of 2010

The stronger national forecast lifts the Idaho economic outlook above what was expected in the *Baseline Scenario*. Idaho nonfarm employment grows faster in each year. As a result, there are about 30,000 more jobs in 2014 than in the *Baseline Scenario*. This improvement is spread between both the goods- and nongoods-producing sectors of the economy. The former is up by 6,300 jobs in 2014 and the latter has 24,100 more positions. Not surprisingly, Idaho nominal personal income also grows faster in this scenario. Specifically, from 2011 to 2014 it increases an average of 5.8% annually compared to the 4.6% annual clip in the *Baseline Scenario*. The faster pace results in personal income being \$2.7 billion higher in 2014 in the *Optimistic Scenario*.

PESSIMISTIC SCENARIO

The *Pessimistic Scenario* has been assigned a 20% probability of occurrence. The recovery is short-lived in this scenario, as underlying worries from the financial crisis re-emerge with a vengeance. Despite the additional round of monetary easing (QEII), banks continue to write off large amounts of debt and hoard reserves as a means of protection. With little access to credit and fading fiscal stimulus, the private sector is unable to sustain the expansion. For businesses facing low demand, layoffs, furloughs, and wage freezes become the norm. As the employment situation worsens, the housing market suffers another reverse. The weakness in housing further undermines consumer confidence. This, along with the drop in wealth associated with falling home prices and slowing job growth, causes consumers to retrench sharply. In Europe, sovereign debt problems flare up again, pushing stock markets lower and driving the euro back down against the dollar. The U.S. market once again becomes a safe haven and investors seek refuge in U.S. Treasury securities, thereby pushing the dollar upwards. The stronger dollar reduces U.S. export competitiveness, and acts as an additional drag on growth.

Going into 2011, the combination of negative growth, lower oil prices due to weaker world demand, and a stronger dollar create deflationary pressures in the United States: core inflation falls 0.5 percentage point below the baseline rate by the end of 2011. In light of the low inflation readings and the high unemployment rate, the Federal Reserve increases its balance sheet through still more quantitative easing and keeps interest rates in the 0.0%-0.25% target range until the end of 2012. When the economy eventually recovers from the back-to-back recessions, inflation rises faster than in the baseline. The Federal Reserve reacts by rapidly raising interest rates and exiting from its quantitative easing programs. But its response is too late, and inflation continues to climb. Real GDP slips 0.1% in 2011, compared with 2.3% growth in the baseline. Growth slows to only 0.7% in the fourth quarter of 2010, and turns negative during the following three quarters, reaching a trough of minus 1.4% in the second quarter of 2011. Over the longer term, GDP growth remains weaker than in the baseline, mainly because productivity advances only 1.3% on average over the next decade, compared with 1.6% in the baseline.

The double-dip recession exacts a heavy toll on Idaho. Instead of improving, nonfarm employment is flat through 2013, hovering well below 605,000 jobs. The goods-producing sector takes its biggest hit in 2011 when its payroll shrinks by 4.1%. In contrast, it shrinks just 0.4% in the *Baseline Scenario*. By 2014, there are 11,300 fewer goods-producing jobs in Idaho. The nongoods-producing sector manages to grow 0.9% in 2011, but it then stalls. In 2014 it trails its baseline counterpart by 34,400 jobs. Idaho income is also hit hard. Nominal personal income is \$4.0 billion lower than in the *Baseline Scenario* in 2014.

Is Structural Unemployment on the Rise?

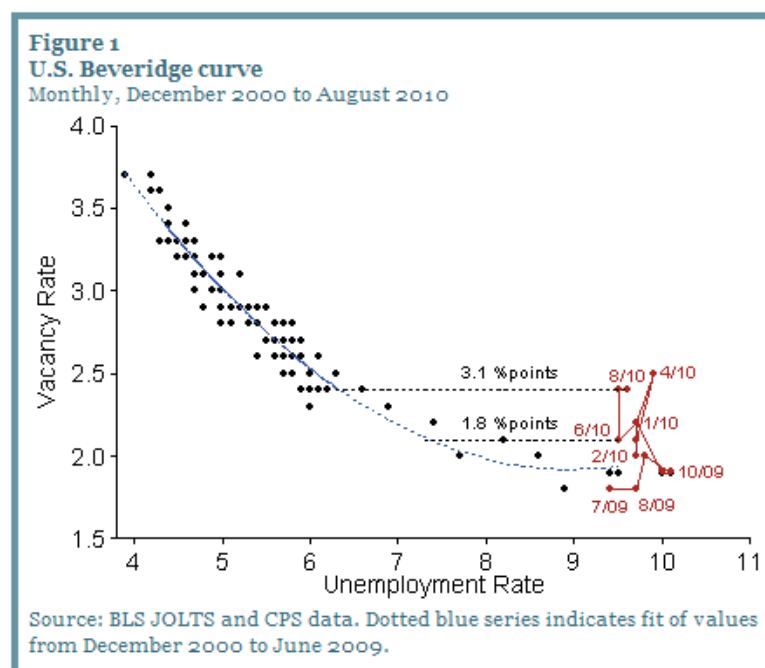
Rob Valletta¹
Katherine Kuang

Labor demand has been growing in the United States, reflected in a modest increase in private payroll employment this year and a more substantial increase in private-sector job vacancies over the past 12 months. Despite these signs of improvement, the unemployment rate has declined only slightly. Some analysts have raised the specter of a fundamental mismatch between the supply of labor in terms of workers' skills and demand for labor in terms of employers' skill requirements. Such a mismatch between available workers and available jobs could increase the level of structural unemployment. To the extent that structural unemployment is actually rising, the phenomenon poses a dilemma for policymakers. It cannot be ameliorated through conventional monetary and fiscal policy. And it implies an increase in the lowest unemployment rate associated with stable inflation, often identified by the acronym NAIRU, which stands for the non-accelerating inflation rate of unemployment.

This *Economic Letter* examines evidence for increased structural unemployment and a higher NAIRU (see Valletta and Cleary 2008 for additional background discussion). Our analysis suggests a small rise of about 1¼ percentage points in both structural unemployment and the NAIRU, increases that are likely to be transitory, not permanent.

The Beveridge curve and mismatch

Policymakers and analysts who have posited a rise in structural unemployment have largely focused on the Beveridge curve, a representation of the relationship between the unemployment and job vacancy rates. The Beveridge curve is displayed in Figure 1 for the period since December 2000 when consistent data on vacancies became available from the Bureau of Labor Statistics (BLS) Job Openings and Labor Turnover Survey (JOLTS). The blue dashed line represents an estimation of the empirical relationship between the unemployment and vacancy rates that accounts for the shape of the curve. The sample used for the estimation ends in June 2009, which corresponds to the end of the recession, according to the National Bureau of Economic Research's Business Cycle Dating Committee. The data points for subsequent months through August 2010 are highlighted in red. The position of the points for 2010 relative to the estimated curve suggests the possibility of a substantial rightward shift in the



¹ This article originally appeared in the Number 2010-34; November 8, 2010 *FRBSF Economic Letter*. Opinions expressed in this article are those of the authors and do not necessarily reflect the views of the management of the Federal Reserve Bank of San Francisco or the Board of Governors of the Federal Reserve System.

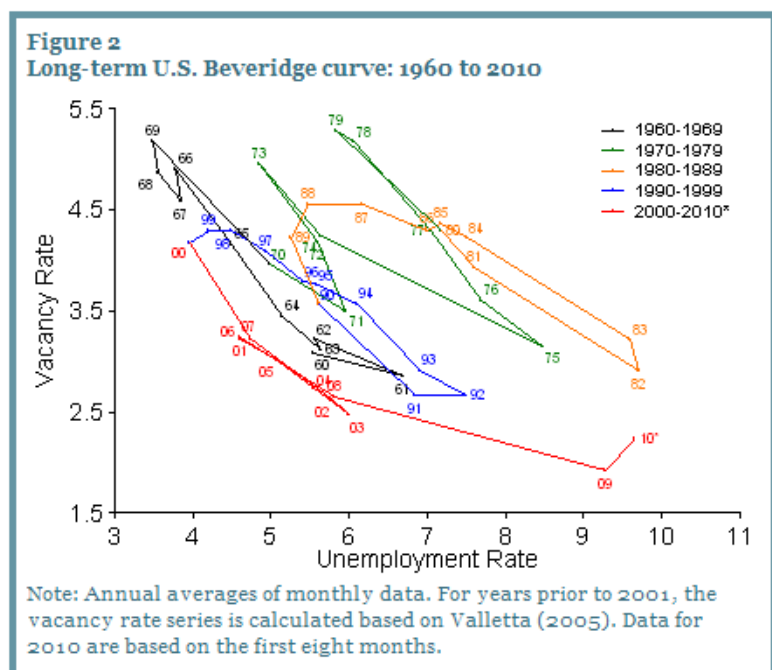
Beveridge curve, indicating a higher unemployment rate for a given level of job vacancies. The implied shift is about 1.8 percentage points for June 2010 and about 3.1 percentage points for August.

Such shifts in the Beveridge curve are commonly interpreted as representing declines in the efficiency of matching job seekers with available jobs, through reduced incentives for jobless workers to get work and increased obstacles to job matches. In the extreme, a decline in job matching efficiency may imply an increase in the NAIRU that is equivalent to the recent implied rightward shift in the Beveridge curve (see, for example, Kocherlakota 2010). In addition, the availability of extended unemployment insurance benefits, which reached a maximum of 99 weeks in most states in 2009, could explain a portion of the shift depicted in Figure 1. By easing the financial burden of long-term unemployment, extended benefits reduce the incentives of eligible workers to search for jobs and fill vacancies. Research by Valletta and Kuang (2010) suggests that the impact of extended insurance benefits on the unemployment rate in late 2009 was only about 0.4 percentage point. Updated estimates for all of 2009 and the first half of 2010 suggest a larger impact of about 0.8 percentage point.

Some observers attribute most or even the entire Beveridge curve shift to mismatches, either between the skill sets of job seekers and job requirements for existing vacancies or between the geographic locations of available workers and jobs. In the first case, for example, workers formerly employed in the construction and real estate sectors may not possess the skills required by employers hiring in the health services or technology sectors. Proponents of the second type of mismatch argue that geographical factors may be particularly acute in the wake of the housing bust. Unemployed workers face a financial obstacle that makes it hard to move to places where jobs are more abundant if the values of their homes have dropped below the amounts they owe on their mortgages. This is consistent with recent data from the U.S. Census Bureau (2010) showing historically low rates of geographic mobility.

Such skill and geographic mismatches indeed may be unusually severe in the aftermath of the recent downturn. But it may be misleading to rely on short-term Beveridge curve movements to infer the persistence of mismatches and the extent of structural unemployment over the longer term. The size of the recent Beveridge curve deviation depends heavily on the specific month chosen, varying in the first

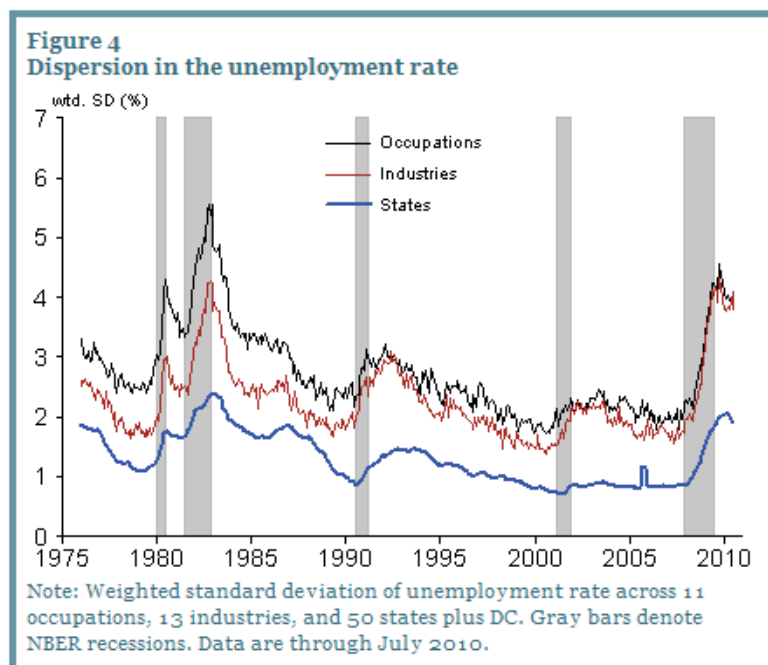
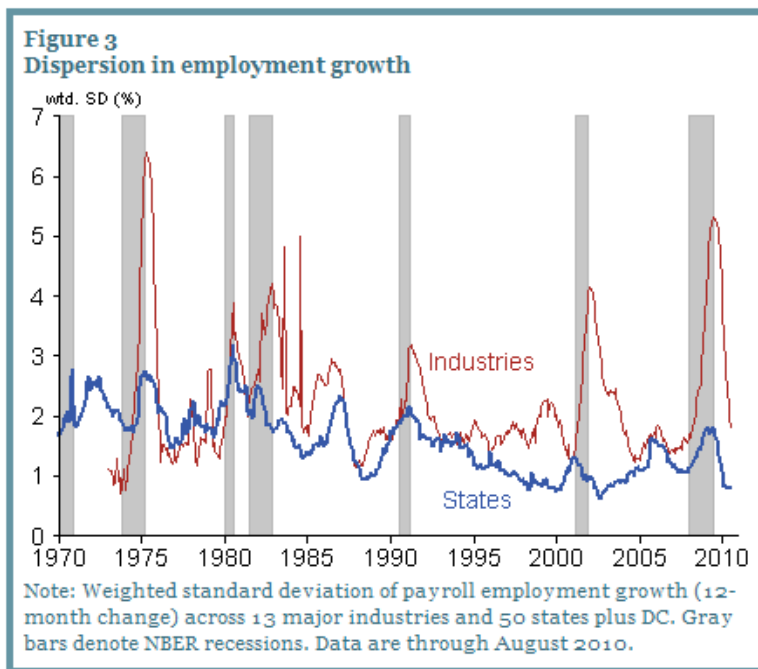
eight months of 2010 from less than 2 to nearly 4 percentage points. From January to August 2010, the average deviation was 2.5 percentage points. Historical comparisons suggest that the recent rightward shift in the Beveridge curve does not necessarily imply a similarly sized increase in the NAIRU. Figure 2 displays the long-term Beveridge curve, relying on a vacancy series constructed using historical data available prior to the introduction of JOLTS (see Valletta 2005 for the methodology). The Beveridge curve shifted rightward about 4 percentage points between the 1960s and the early 1980s and then shifted back about 2.5 percentage points between 1984 and 1989. Based on available estimates, the variation in the NAIRU over these periods was



much smaller than the horizontal movement in the Beveridge curve (for example, see Table 1 in Orphanides and Williams 2002). Credible estimates of the NAIRU over these earlier periods suggest that it may have changed about half as much as the Beveridge curve. This implies that any increase in the NAIRU associated with recent movements of the curve is limited to about 1.25 percentage points, based on the average 2.5 percentage point Beveridge curve shift from January to August 2010.

Dispersion in employment growth and unemployment rates

The mismatch argument for sustained increases in the unemployment rate and the NAIRU is predicated on imbalances in labor supply and demand across sectors and skill groups. The extent of such imbalances can be assessed by examining employment growth and unemployment rates across industry sectors, states, and occupations, as shown in Figures 3 and 4. The underlying data used are the BLS payroll employment series and the authors' calculations from the Census Bureau's Current Population Survey microdata, which are available beginning in 1976. Industry and occupation unemployment rates are based on the most recent jobs held by unemployed individuals and exclude new labor market entrants. Only the unemployment series is shown for occupations because consistent occupational employment data are not available from BLS and cannot be reliably calculated from Census Bureau data.



Employment mismatches would be expected to increase if job growth were uneven, with some sectors gaining while others were shrinking. The actual extent of such job reallocation can be roughly calculated by examining differences in employment growth among sectors. Figure 3 shows that dispersion in employment gains and losses spiked in the most recent recession as a result of severe, unevenly distributed job declines. For example, construction employment declined nearly 25% from the start of the recession through the end of 2009, while health and education jobs grew about 4%. Similar to past recessions, job losses have been concentrated in cyclically sensitive sectors such as construction and manufacturing.

Moreover, as aggregate employment stabilized, the dispersion of employment gains and losses across sectors returned to its pre-recession level, suggesting very little imbalance in the pace of employment growth at that point.

Meanwhile, Figure 4 shows that dispersion in unemployment rates has remained high in recent months. Job growth has been too slow to significantly reabsorb workers idled by massive job losses in certain sectors and regions. The overhang of unemployed workers in the hardest-hit sectors suggests that some of them will need to look for work in other sectors as employment is reallocated in the economy. There is no straightforward way to assess the extent of required reallocation because it depends on unpredictable patterns of future demand. However, it is important to note that the recent peak in unemployment dispersion differs little from the peak attained during the early 1980s recession. That recession is generally acknowledged to have resulted from tight monetary policy in response to elevated inflation rates. It did not have a large mismatch or structural component, and the observed unemployment rate and the NAIRU dropped to low levels during the subsequent recovery. Given this historical precedent, current imbalances appear largely to reflect cyclical rather than structural factors.

On the other hand, the sharp reduction in construction employment and the persistence of unemployment among workers in this sector probably reflects unique circumstances related to the expansion and bursting of the housing bubble. These workers may face challenging adjustments going forward. The seasonally adjusted unemployment rate for construction workers has been hovering around 20% in recent months compared with a more typical rate from 2003 to 2006 of about 7 to 8%. This represents about 1.25 million more unemployed construction workers in the current recovery than was typical during the preceding expansion. Many of these workers are likely to be employable in other sectors as the economy improves, although a large share may not be. If half of them are unemployable, structural unemployment would increase about 0.4 percentage point. Similar special circumstances do not appear to be at play in the financial sector, despite the impact of the 2007–2008 financial meltdown. The increase in the unemployment rate for financial sector workers during the recent recession was below the average for all industries and of a relative magnitude similar to that posted in the early 1980s recession.

Conclusion

We examined evidence in favor of the view that structural unemployment and the NAIRU have increased during and after the recent recession. Based on historical patterns, the recent shift in the relationship between unemployment and vacancies reflected in the Beveridge curve is consistent with an increase in the NAIRU of about 1¼ percentage points or less. The impact of extended unemployment insurance benefits likely explains about 0.4 to 0.8 percentage point of this increase. The remainder is probably associated with the bursting of the residential real estate bubble and the need for many unemployed construction workers to find work in other sectors. The effects of both of these factors are likely to be transitory rather than permanent.

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IDAHO ECONOMIC FORECAST

January 2011

FORECAST DETAIL

Annual Forecast 1997-2014.....Page 32

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Reporting Conventions

Units of measurement are presented in the individual reports.

The percentage change numbers given in the annual reports are simple period-to-period percent changes. Since the periods are years, they are thus simple annual changes. The percentage changes given in the quarterly report are period-to-period changes at compound annual rates, following standard practice. A large change in a given quarter can seem to be exaggerated since the calculation assumes the change is compounded over an entire year.

Data Sources

National forecast data is provided by IHS Global Insight, as well as the Food and Agricultural Policy Research Institute (FAPRI). Historical data for the models are obtained from the following agencies: Bureau of the Census (demographic), Bureau of Economic Analysis (income), Bureau of Labor Statistics (employment), Federal Reserve Board of Governors (production), and U.S. Department of Agriculture (farm).

Idaho historical data is obtained from the Department of Labor (employment and hourly earnings), Bureau of Vital Statistics (births and deaths), Division of Financial Management (migration), and the Bureau of Economic Analysis (income).

The Idaho average annual wage is calculated by the Division of Financial Management from Bureau of Economic Analysis and Idaho Department of Labor data. Because of the different methodology used and data available, this figure may not match those published by other sources.

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

DEMOGRAPHICS

	1997	1998	1999	2000	2001	2002	2003	2004	2005
POPULATION									
Idaho (Thousands)	1,228.4	1,252.3	1,275.7	1,299.1	1,320.7	1,342.0	1,365.5	1,391.0	1,423.8
% Ch	2.1%	1.9%	1.9%	1.8%	1.7%	1.6%	1.8%	1.9%	2.4%
National (Millions)	273.368	276.553	279.731	282.790	285.694	288.472	291.178	293.846	296.574
% Ch	1.2%	1.2%	1.1%	1.1%	1.0%	1.0%	0.9%	0.9%	0.9%
BIRTHS									
Idaho (Thousands)	18.599	19.188	19.897	20.304	20.684	21.002	21.735	22.526	23.069
% Ch	0.6%	3.2%	3.7%	2.0%	1.9%	1.5%	3.5%	3.6%	2.4%
National (Thousands)	3,964	4,038	4,028	4,069	4,060	4,088	4,117	4,152	4,194
% Ch	-0.2%	1.9%	-0.2%	1.0%	-0.2%	0.7%	0.7%	0.8%	1.0%
DEATHS									
Idaho (Thousands)	8.953	9.105	9.488	9.538	9.811	9.935	10.308	10.020	10.413
% Ch	3.2%	1.7%	4.2%	0.5%	2.9%	1.3%	3.8%	-2.8%	3.9%
National (Thousands)	2,351	2,406	2,406	2,409	2,474	2,466	2,458	2,451	2,447
% Ch	0.0%	2.3%	0.0%	0.2%	2.7%	-0.3%	-0.4%	-0.3%	-0.2%
NET MIGRATION									
Idaho (Thousands)	15.583	13.836	12.975	12.658	10.645	10.247	12.077	13.013	20.115
HOUSING									
HOUSING STARTS									
Idaho	8,888	10,156	10,363	11,500	12,206	13,228	16,393	18,674	23,410
% Ch	-4.3%	14.3%	2.0%	11.0%	6.1%	8.4%	23.9%	13.9%	25.4%
National (Millions)	1.475	1.621	1.647	1.573	1.601	1.710	1.854	1.950	2.073
% Ch	0.4%	9.9%	1.6%	-4.5%	1.8%	6.8%	8.4%	5.2%	6.3%
SINGLE UNITS									
Idaho	7,652	9,040	9,191	10,337	10,378	11,141	13,861	16,162	20,937
% Ch	-2.4%	18.1%	1.7%	12.5%	0.4%	7.4%	24.4%	16.6%	29.5%
National (Millions)	1.136	1.278	1.306	1.232	1.272	1.363	1.505	1.604	1.719
% Ch	-1.6%	12.4%	2.2%	-5.7%	3.2%	7.2%	10.4%	6.6%	7.1%
MULTIPLE UNITS									
Idaho	1,236	1,115	1,172	1,163	1,829	2,087	2,532	2,512	2,474
% Ch	-14.2%	-9.8%	5.1%	-0.8%	57.3%	14.1%	21.3%	-0.8%	-1.5%
National (Millions)	0.338	0.344	0.341	0.341	0.330	0.347	0.349	0.345	0.354
% Ch	7.6%	1.6%	-0.7%	0.1%	-3.5%	5.3%	0.5%	-1.0%	2.6%
HOUSING STOCK									
Idaho (Thousands)	394.3	402.9	411.9	421.8	432.7	443.6	457.6	473.8	494.4
% Ch	1.9%	2.2%	2.2%	2.4%	2.6%	2.5%	3.2%	3.5%	4.3%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011

DEMOGRAPHICS

	2006	2007	2008	2009	2010	2011	2012	2013	2014
POPULATION									
Idaho (Thousands)	1,461.4	1,496.0	1,523.4	1,546.7	1,566.1	1,588.5	1,618.0	1,647.6	1,676.9
% Ch	2.6%	2.4%	1.8%	1.5%	1.3%	1.4%	1.9%	1.8%	1.8%
National (Millions)	299.422	302.393	305.169	307.842	310.834	313.838	316.875	319.944	323.039
% Ch	1.0%	1.0%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%
BIRTHS									
Idaho (Thousands)	24.150	25.053	25.122	23.727	25.555	25.978	26.693	27.415	28.126
% Ch	4.7%	3.7%	0.3%	-5.6%	7.7%	1.7%	2.8%	2.7%	2.6%
National (Thousands)	4,234	4,282	4,327	4,371	4,420	4,460	4,496	4,530	4,558
% Ch	1.0%	1.1%	1.1%	1.0%	1.1%	0.9%	0.8%	0.8%	0.6%
DEATHS									
Idaho (Thousands)	10.471	10.742	10.938	11.078	11.213	11.374	11.570	11.767	11.963
% Ch	0.6%	2.6%	1.8%	1.3%	1.2%	1.4%	1.7%	1.7%	1.7%
National (Thousands)	2,473	2,498	2,524	2,549	2,577	2,602	2,630	2,659	2,688
% Ch	1.1%	1.0%	1.0%	1.0%	1.1%	1.0%	1.1%	1.1%	1.1%
NET MIGRATION									
Idaho (Thousands)	23.983	20.290	13.165	10.694	5.046	7.783	14.345	13.975	13.191
HOUSING									
HOUSING STARTS									
Idaho	19,553	14,379	7,988	5,674	5,275	6,840	11,266	13,987	15,372
% Ch	-16.5%	-26.5%	-44.4%	-29.0%	-7.0%	29.7%	64.7%	24.2%	9.9%
National (Millions)	1.812	1.342	0.900	0.554	0.604	0.783	1.210	1.408	1.592
% Ch	-12.6%	-25.9%	-32.9%	-38.4%	9.0%	29.7%	54.6%	16.4%	13.0%
SINGLE UNITS									
Idaho	17,529	12,034	7,143	4,967	4,881	6,111	10,112	12,758	14,174
% Ch	-16.3%	-31.4%	-40.6%	-30.5%	-1.7%	25.2%	65.5%	26.2%	11.1%
National (Millions)	1.474	1.036	0.616	0.442	0.478	0.615	1.021	1.182	1.282
% Ch	-14.3%	-29.7%	-40.5%	-28.2%	8.2%	28.6%	66.1%	15.8%	8.4%
MULTIPLE UNITS									
Idaho	2,023	2,345	844	707	394	729	1,154	1,229	1,198
% Ch	-18.2%	15.9%	-64.0%	-16.3%	-44.3%	85.1%	58.2%	6.5%	-2.5%
National (Millions)	0.338	0.306	0.284	0.112	0.126	0.168	0.189	0.226	0.310
% Ch	-4.5%	-9.5%	-7.3%	-60.5%	12.1%	33.9%	12.5%	19.5%	37.2%
HOUSING STOCK									
Idaho (Thousands)	514.8	529.3	537.9	542.3	546.4	550.5	558.4	569.9	583.2
% Ch	4.1%	2.8%	1.6%	0.8%	0.8%	0.7%	1.4%	2.1%	2.3%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

OUTPUT, INCOME, & WAGES

	1997	1998	1999	2000	2001	2002	2003	2004	2005
U.S. GROSS DOM. PRODUCT (Billions)									
Current Dollars	8,332	8,793	9,354	9,951	10,286	10,642	11,142	11,868	12,638
% Ch	6.3%	5.5%	6.4%	6.4%	3.4%	3.5%	4.7%	6.5%	6.5%
2005 Chain-Weighted	9,854	10,284	10,780	11,226	11,347	11,553	11,841	12,264	12,638
% Ch	4.5%	4.4%	4.8%	4.1%	1.1%	1.8%	2.5%	3.6%	3.1%
 PERSONAL INCOME - CURR \$									
Idaho (Millions)	25,751	27,844	29,684	32,077	33,877	34,906	36,065	39,545	42,197
% Ch	4.3%	8.1%	6.6%	8.1%	5.6%	3.0%	3.3%	9.6%	6.7%
Idaho Nonfarm (Millions)	25,015	26,908	28,709	31,090	32,784	33,838	35,242	38,210	41,022
% Ch	5.3%	7.6%	6.7%	8.3%	5.4%	3.2%	4.1%	8.4%	7.4%
National (Billions)	7,001	7,525	7,911	8,559	8,883	9,060	9,378	9,937	10,486
% Ch	6.2%	7.5%	5.1%	8.2%	3.8%	2.0%	3.5%	6.0%	5.5%
 PERSONAL INCOME - 2005 \$									
Idaho (Millions)	30,154	32,298	33,885	35,728	37,029	37,638	38,112	40,722	42,192
% Ch	2.4%	7.1%	4.9%	5.4%	3.6%	1.6%	1.3%	6.8%	3.6%
Idaho Nonfarm (Millions)	29,292	31,212	32,772	34,628	35,833	36,488	37,243	39,347	41,017
% Ch	3.3%	6.6%	5.0%	5.7%	3.5%	1.8%	2.1%	5.7%	4.2%
National (Billions)	8,198	8,729	9,030	9,534	9,710	9,770	9,911	10,233	10,485
% Ch	4.3%	6.5%	3.5%	5.6%	1.8%	0.6%	1.4%	3.3%	2.5%
 PER CAPITA PERS INC - CURR \$									
Idaho	20,962	22,232	23,267	24,690	25,652	26,010	26,410	28,427	29,635
% Ch	2.1%	6.1%	4.7%	6.1%	3.9%	1.4%	1.5%	7.6%	4.2%
National	25,608	27,210	28,279	30,267	31,094	31,407	32,207	33,816	35,355
% Ch	4.9%	6.3%	3.9%	7.0%	2.7%	1.0%	2.5%	5.0%	4.6%
 PER CAPITA PERS INC - 2005 \$									
Idaho	24,546	25,789	26,561	27,501	28,039	28,047	27,911	29,274	29,634
% Ch	0.3%	5.1%	3.0%	3.5%	2.0%	0.0%	-0.5%	4.9%	1.2%
National	29,987	31,563	32,282	33,712	33,987	33,868	34,036	34,825	35,353
% Ch	3.0%	5.3%	2.3%	4.4%	0.8%	-0.3%	0.5%	2.3%	1.5%
 AVERAGE ANNUAL WAGE									
Idaho	24,953	25,968	27,121	28,834	28,911	29,544	30,286	31,533	32,508
% Ch	2.7%	4.1%	4.4%	6.3%	0.3%	2.2%	2.5%	4.1%	3.1%
National	31,574	33,205	34,574	36,630	37,565	38,341	39,537	41,283	42,640
% Ch	4.5%	5.2%	4.1%	5.9%	2.6%	2.1%	3.1%	4.4%	3.3%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

OUTPUT, INCOME, & WAGES

	2006	2007	2008	2009	2010	2011	2012	2013	2014
U.S. GROSS DOM. PRODUCT (Billions)									
Current Dollars	13,399	14,062	14,369	14,119	14,645	15,172	15,831	16,527	17,364
% Ch	6.0%	4.9%	2.2%	-1.7%	3.7%	3.6%	4.3%	4.4%	5.1%
2005 Chain-Weighted	12,976	13,229	13,229	12,881	13,234	13,532	13,921	14,298	14,742
% Ch	2.7%	1.9%	0.0%	-2.6%	2.7%	2.3%	2.9%	2.7%	3.1%
 PERSONAL INCOME - CURR \$									
Idaho (Millions)	46,253	49,117	50,376	48,944	50,402	51,957	54,223	56,969	60,423
% Ch	9.6%	6.2%	2.6%	-2.8%	3.0%	3.1%	4.4%	5.1%	6.1%
Idaho Nonfarm (Millions)	45,163	47,538	48,555	47,716	48,895	50,429	52,682	55,429	58,877
% Ch	10.1%	5.3%	2.1%	-1.7%	2.5%	3.1%	4.5%	5.2%	6.2%
National (Billions)	11,268	11,912	12,391	12,175	12,503	12,900	13,409	13,999	14,787
% Ch	7.5%	5.7%	4.0%	-1.7%	2.7%	3.2%	3.9%	4.4%	5.6%
 PERSONAL INCOME - 2005 \$									
Idaho (Millions)	45,013	46,527	46,194	44,798	45,335	46,116	47,380	48,921	50,863
% Ch	6.7%	3.4%	-0.7%	-3.0%	1.2%	1.7%	2.7%	3.3%	4.0%
Idaho Nonfarm (Millions)	43,953	45,032	44,523	43,675	43,980	44,760	46,034	47,599	49,561
% Ch	7.2%	2.5%	-1.1%	-1.9%	0.7%	1.8%	2.8%	3.4%	4.1%
National (Billions)	10,966	11,284	11,362	11,144	11,246	11,450	11,717	12,022	12,447
% Ch	4.6%	2.9%	0.7%	-1.9%	0.9%	1.8%	2.3%	2.6%	3.5%
 PER CAPITA PERS INC - CURR \$									
Idaho	31,647	32,831	33,070	31,644	32,183	32,708	33,512	34,576	36,030
% Ch	6.8%	3.7%	0.7%	-4.3%	1.7%	1.6%	2.5%	3.2%	4.2%
National	37,632	39,392	40,604	39,549	40,222	41,104	42,316	43,755	45,772
% Ch	6.4%	4.7%	3.1%	-2.6%	1.7%	2.2%	2.9%	3.4%	4.6%
 PER CAPITA PERS INC - 2005 \$									
Idaho	30,800	31,101	30,324	28,965	28,948	29,031	29,283	29,692	30,330
% Ch	3.9%	1.0%	-2.5%	-4.5%	-0.1%	0.3%	0.9%	1.4%	2.1%
National	36,624	37,316	37,232	36,200	36,179	36,483	36,977	37,574	38,531
% Ch	3.6%	1.9%	-0.2%	-2.8%	-0.1%	0.8%	1.4%	1.6%	2.5%
 AVERAGE ANNUAL WAGE									
Idaho	34,382	35,387	35,690	35,884	36,609	37,537	38,540	39,659	40,871
% Ch	5.8%	2.9%	0.9%	0.5%	2.0%	2.5%	2.7%	2.9%	3.1%
National	44,594	46,673	47,955	47,931	48,857	50,229	51,582	52,986	54,376
% Ch	4.6%	4.7%	2.7%	-0.1%	1.9%	2.8%	2.7%	2.7%	2.6%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

PERSONAL INCOME--CURRENT \$\$

	1997	1998	1999	2000	2001	2002	2003	2004	2005
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	13,153	14,011	15,092	16,652	16,991	17,448	17,989	19,257	20,693
% Ch	6.5%	6.5%	7.7%	10.3%	2.0%	2.7%	3.1%	7.1%	7.5%
National (Billions)	3,877	4,182	4,460	4,828	4,952	4,997	5,140	5,426	5,701
% Ch	7.2%	7.9%	6.7%	8.2%	2.6%	0.9%	2.8%	5.6%	5.1%
FARM PROPRIETORS INCOME									
Idaho (Millions)	405	605	649	614	714	635	434	903	662
% Ch	-37.6%	49.6%	7.2%	-5.4%	16.3%	-11.1%	-31.6%	107.9%	-26.6%
National (Billions)	33	29	28	30	31	18	37	50	44
% Ch	-15.2%	-11.4%	-1.4%	4.1%	3.0%	-39.6%	98.0%	36.0%	-11.6%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	2,529	2,820	3,152	3,246	3,771	3,894	4,022	4,402	4,529
% Ch	1.0%	11.5%	11.8%	3.0%	16.1%	3.3%	3.3%	9.4%	2.9%
National (Billions)	596	659	718	788	840	872	894	984	1,026
% Ch	9.2%	10.6%	9.1%	9.7%	6.6%	3.8%	2.5%	10.1%	4.2%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	5,184	5,690	5,705	6,070	6,280	6,194	6,388	7,218	7,971
% Ch	7.4%	9.8%	0.3%	6.4%	3.5%	-1.4%	3.1%	13.0%	10.4%
National (Billions)	1,342	1,461	1,455	1,576	1,578	1,528	1,517	1,607	1,720
% Ch	7.3%	8.8%	-0.4%	8.3%	0.2%	-3.2%	-0.7%	5.9%	7.1%
OTHER LABOR INCOME									
Idaho (Millions)	3,011	3,177	3,378	3,668	3,859	4,166	4,454	4,773	5,178
% Ch	1.9%	5.5%	6.4%	8.6%	5.2%	7.9%	6.9%	7.2%	8.5%
National (Billions)	502	535	565	616	669	747	846	875	932
% Ch	1.2%	6.5%	5.7%	8.9%	8.6%	11.7%	13.1%	3.4%	6.5%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	3,427	3,570	3,800	4,122	4,609	4,993	5,293	5,672	6,115
% Ch	3.6%	4.2%	6.4%	8.5%	11.8%	8.3%	6.0%	7.2%	7.8%
National (Billions)	949	978	1,022	1,083	1,188	1,282	1,342	1,416	1,509
% Ch	2.7%	3.0%	4.5%	6.0%	9.7%	7.9%	4.6%	5.5%	6.6%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	2,325	2,464	2,594	2,819	2,869	2,948	3,065	3,267	3,548
% Ch	4.3%	6.0%	5.2%	8.7%	1.8%	2.7%	4.0%	6.6%	8.6%
National (Billions)	290	307	323	345	358	366	382	408	427
% Ch	5.4%	6.1%	5.2%	6.8%	3.7%	2.3%	4.5%	6.7%	4.8%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	368	436	503	525	523	524	549	587	597
% Ch	13.6%	18.5%	15.3%	4.5%	-0.5%	0.2%	4.8%	6.9%	1.7%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

PERSONAL INCOME--CURRENT \$\$

	2006	2007	2008	2009	2010	2011	2012	2013	2014
WAGE AND SALARY PAYMENTS									
Idaho (Millions)	22,781	24,126	24,062	22,917	23,162	24,059	25,279	26,657	28,114
% Ch	10.1%	5.9%	-0.3%	-4.8%	1.1%	3.9%	5.1%	5.4%	5.5%
National (Billions)	6,069	6,422	6,559	6,274	6,364	6,608	6,911	7,231	7,556
% Ch	6.5%	5.8%	2.1%	-4.3%	1.4%	3.8%	4.6%	4.6%	4.5%
FARM PROPRIETORS INCOME									
Idaho (Millions)	567	966	1,235	546	762	721	754	763	763
% Ch	-14.5%	70.6%	27.8%	-55.8%	39.6%	-5.4%	4.5%	1.2%	0.0%
National (Billions)	29	38	51	30	47	49	40	36	37
% Ch	-33.1%	28.8%	34.5%	-40.1%	52.9%	4.5%	-17.4%	-10.7%	1.8%
NONFARM PROPRIETORS INCOME									
Idaho (Millions)	5,017	4,823	4,417	4,101	4,295	4,553	4,848	5,054	5,369
% Ch	10.8%	-3.9%	-8.4%	-7.2%	4.7%	6.0%	6.5%	4.2%	6.2%
National (Billions)	1,104	1,053	1,051	981	1,009	1,066	1,131	1,177	1,247
% Ch	7.6%	-4.6%	-0.1%	-6.6%	2.8%	5.6%	6.2%	4.0%	6.0%
DIVIDENDS, RENT & INTEREST									
Idaho (Millions)	9,002	9,663	10,158	9,566	9,650	9,743	10,053	10,743	11,491
% Ch	12.9%	7.3%	5.1%	-5.8%	0.9%	1.0%	3.2%	6.9%	7.0%
National (Billions)	1,976	2,201	2,331	2,194	2,207	2,216	2,289	2,447	2,620
% Ch	14.9%	11.4%	5.9%	-5.9%	0.6%	0.4%	3.3%	6.9%	7.1%
OTHER LABOR INCOME									
Idaho (Millions)	5,598	5,793	5,915	6,024	6,213	6,376	6,680	7,025	7,421
% Ch	8.1%	3.5%	2.1%	1.8%	3.1%	2.6%	4.8%	5.2%	5.6%
National (Billions)	960	981	1,037	1,072	1,106	1,143	1,199	1,259	1,326
% Ch	3.1%	2.1%	5.7%	3.4%	3.2%	3.3%	4.9%	5.0%	5.3%
GOVT. TRANSFERS TO INDIV.									
Idaho (Millions)	6,616	7,201	8,006	9,191	9,840	10,180	10,475	10,821	11,620
% Ch	8.2%	8.8%	11.2%	14.8%	7.1%	3.5%	2.9%	3.3%	7.4%
National (Billions)	1,605	1,718	1,879	2,133	2,293	2,366	2,424	2,494	2,666
% Ch	6.4%	7.1%	9.4%	13.5%	7.5%	3.2%	2.4%	2.9%	6.9%
CONTRIB. FOR SOCIAL INSUR.									
Idaho (Millions)	3,955	4,130	4,168	4,133	4,255	4,420	4,627	4,876	5,163
% Ch	11.5%	4.4%	0.9%	-0.8%	2.9%	3.9%	4.7%	5.4%	5.9%
National (Billions)	447	460	470	461	476	499	523	548	575
% Ch	4.5%	3.0%	2.2%	-2.0%	3.4%	4.7%	4.9%	4.9%	4.9%
RESIDENCE ADJUSTMENT									
Idaho (Millions)	628	674	752	732	735	744	761	783	807
% Ch	5.2%	7.4%	11.5%	-2.6%	0.4%	1.2%	2.3%	2.9%	3.2%

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EMPLOYMENT

	1997	1998	1999	2000	2001	2002	2003	2004	2005
TOTAL NONFARM EMPLOYMENT									
Idaho	507,425	520,479	538,100	558,580	568,033	568,045	572,545	588,052	611,681
% Ch	3.4%	2.6%	3.4%	3.8%	1.7%	0.0%	0.8%	2.7%	4.0%
National (Thousands)	122,767	125,923	128,992	131,794	131,830	130,340	129,996	131,419	133,694
% Ch	2.6%	2.6%	2.4%	2.2%	0.0%	-1.1%	-0.3%	1.1%	1.7%
GOODS PRODUCING SECTOR									
Idaho	105,507	106,975	108,722	111,883	110,225	105,031	102,384	105,446	112,320
% Ch	3.0%	1.4%	1.6%	2.9%	-1.5%	-4.7%	-2.5%	3.0%	6.5%
National (Thousands)	23,884	24,352	24,466	24,652	23,873	22,555	21,816	21,878	22,186
% Ch	2.0%	2.0%	0.5%	0.8%	-3.2%	-5.5%	-3.3%	0.3%	1.4%
MANUFACTURING									
Idaho	70,186	71,528	71,213	73,032	70,392	66,804	63,860	63,675	65,029
% Ch	2.7%	1.9%	-0.4%	2.6%	-3.6%	-5.1%	-4.4%	-0.3%	2.1%
National (Thousands)	17,500	17,640	17,403	17,344	16,514	15,327	14,578	14,382	14,291
% Ch	1.1%	0.8%	-1.3%	-0.3%	-4.8%	-7.2%	-4.9%	-1.3%	-0.6%
DURABLE MANUFACTURING									
Idaho	44,216	45,892	45,698	47,406	45,098	42,320	39,947	40,544	42,102
% Ch	4.2%	3.8%	-0.4%	3.7%	-4.9%	-6.2%	-5.6%	1.5%	3.5%
National (Thousands)	10,786	10,991	10,913	10,957	10,409	9,554	9,033	8,992	9,019
% Ch	2.1%	1.9%	-0.7%	0.4%	-5.0%	-8.2%	-5.5%	-0.5%	0.3%
LOGGING & WOOD PRODUCTS									
Idaho	11,898	11,464	11,480	11,567	9,849	9,553	9,046	9,294	9,617
% Ch	-1.1%	-3.6%	0.1%	0.8%	-14.9%	-3.0%	-5.3%	2.7%	3.5%
National (Thousands)	677	689	701	692	647	625	607	618	624
% Ch	2.1%	1.7%	1.8%	-1.3%	-6.5%	-3.3%	-3.0%	1.7%	1.1%
METAL FABRICATION									
Idaho	3,793	3,826	3,942	4,030	3,876	3,636	3,537	3,636	3,905
% Ch	5.9%	0.9%	3.0%	2.2%	-3.8%	-6.2%	-2.7%	2.8%	7.4%
National (Thousands)	1,696	1,739	1,728	1,753	1,677	1,549	1,479	1,497	1,522
% Ch	2.9%	2.6%	-0.6%	1.4%	-4.4%	-7.6%	-4.5%	1.2%	1.7%
MACHINERY									
Idaho	3,065	3,178	3,039	3,305	3,055	2,832	2,632	2,569	2,605
% Ch	-3.9%	3.7%	-4.4%	8.7%	-7.5%	-7.3%	-7.0%	-2.4%	1.4%
National (Thousands)	1,496	1,515	1,468	1,457	1,370	1,232	1,152	1,145	1,164
% Ch	1.9%	1.2%	-3.0%	-0.8%	-5.9%	-10.1%	-6.5%	-0.6%	1.7%
COMPUTER & ELECTRONICS									
Idaho	17,727	19,055	18,406	19,454	19,656	17,933	16,297	16,285	16,181
% Ch	8.9%	7.5%	-3.4%	5.7%	1.0%	-8.8%	-9.1%	-0.1%	-0.6%
National (Thousands)	1,803	1,831	1,781	1,820	1,749	1,507	1,355	1,323	1,316
% Ch	3.2%	1.5%	-2.7%	2.2%	-3.9%	-13.8%	-10.1%	-2.4%	-0.5%
OTHER DURABLES									
Idaho	7,732	8,370	8,831	9,050	8,663	8,366	8,435	8,759	9,793
% Ch	4.9%	8.3%	5.5%	2.5%	-4.3%	-3.4%	0.8%	3.8%	11.8%
National (Thousands)	5,114	5,217	5,234	5,235	4,966	4,641	4,440	4,410	4,393
% Ch	1.5%	2.0%	0.3%	0.0%	-5.1%	-6.5%	-4.3%	-0.7%	-0.4%

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EMPLOYMENT

	2006	2007	2008	2009	2010	2011	2012	2013	2014
TOTAL NONFARM EMPLOYMENT									
Idaho	638,834	656,219	648,875	610,403	602,249	608,472	624,890	642,419	658,847
% Ch	4.4%	2.7%	-1.1%	-5.9%	-1.3%	1.0%	2.7%	2.8%	2.6%
National (Thousands)	136,086	137,588	136,777	130,911	130,246	131,551	133,981	136,458	138,946
% Ch	1.8%	1.1%	-0.6%	-4.3%	-0.5%	1.0%	1.8%	1.8%	1.8%
GOODS PRODUCING SECTOR									
Idaho	122,256	123,319	112,199	92,414	87,153	86,823	90,932	95,162	98,305
% Ch	8.8%	0.9%	-9.0%	-17.6%	-5.7%	-0.4%	4.7%	4.7%	3.3%
National (Thousands)	22,533	22,231	21,327	18,620	17,989	18,113	18,561	19,390	20,080
% Ch	1.6%	-1.3%	-4.1%	-12.7%	-3.4%	0.7%	2.5%	4.5%	3.6%
MANUFACTURING									
Idaho	67,832	68,055	64,586	55,839	54,037	54,849	57,718	59,845	60,969
% Ch	4.3%	0.3%	-5.1%	-13.5%	-3.2%	1.5%	5.2%	3.7%	1.9%
National (Thousands)	14,221	13,937	13,458	11,934	11,697	11,882	12,191	12,542	12,753
% Ch	-0.5%	-2.0%	-3.4%	-11.3%	-2.0%	1.6%	2.6%	2.9%	1.7%
DURABLE MANUFACTURING									
Idaho	44,599	44,195	40,006	32,200	30,926	31,579	33,988	35,555	36,359
% Ch	5.9%	-0.9%	-9.5%	-19.5%	-4.0%	2.1%	7.6%	4.6%	2.3%
National (Thousands)	9,046	8,867	8,517	7,359	7,199	7,366	7,641	7,993	8,241
% Ch	0.3%	-2.0%	-3.9%	-13.6%	-2.2%	2.3%	3.7%	4.6%	3.1%
LOGGING & WOOD PRODUCTS									
Idaho	10,034	9,581	8,129	5,857	5,650	5,885	7,371	8,539	8,846
% Ch	4.3%	-4.5%	-15.2%	-28.0%	-3.5%	4.2%	25.3%	15.8%	3.6%
National (Thousands)	623	575	512	410	395	407	496	571	596
% Ch	-0.2%	-7.7%	-11.0%	-19.9%	-3.8%	2.9%	21.9%	15.2%	4.4%
METAL FABRICATION									
Idaho	4,376	4,658	4,675	4,375	4,383	4,530	4,741	5,022	5,303
% Ch	12.1%	6.4%	0.4%	-6.4%	0.2%	3.4%	4.7%	5.9%	5.6%
National (Thousands)	1,553	1,563	1,528	1,317	1,304	1,312	1,322	1,403	1,489
% Ch	2.1%	0.6%	-2.3%	-13.8%	-1.0%	0.6%	0.8%	6.1%	6.2%
MACHINERY									
Idaho	2,863	2,992	3,141	2,742	2,501	2,606	2,659	2,664	2,646
% Ch	9.9%	4.5%	5.0%	-12.7%	-8.8%	4.2%	2.0%	0.2%	-0.7%
National (Thousands)	1,183	1,187	1,187	1,031	995	1,028	1,059	1,082	1,097
% Ch	1.6%	0.3%	0.0%	-13.1%	-3.5%	3.4%	3.0%	2.2%	1.4%
COMPUTER & ELECTRONICS									
Idaho	16,662	16,216	14,305	11,082	10,570	10,809	11,096	10,903	10,904
% Ch	3.0%	-2.7%	-11.8%	-22.5%	-4.6%	2.3%	2.7%	-1.7%	0.0%
National (Thousands)	1,308	1,273	1,244	1,136	1,099	1,158	1,181	1,199	1,220
% Ch	-0.7%	-2.7%	-2.2%	-8.7%	-3.3%	5.4%	2.0%	1.5%	1.8%
OTHER DURABLES									
Idaho	10,662	10,747	9,755	8,144	7,822	7,749	8,121	8,428	8,660
% Ch	8.9%	0.8%	-9.2%	-16.5%	-4.0%	-0.9%	4.8%	3.8%	2.8%
National (Thousands)	4,379	4,270	4,047	3,465	3,406	3,461	3,582	3,738	3,838
% Ch	-0.3%	-2.5%	-5.2%	-14.4%	-1.7%	1.6%	3.5%	4.4%	2.7%

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MANUFACTURING (continued)	1997	1998	1999	2000	2001	2002	2003	2004	2005
NONDURABLE MANUFACTURING									
Idaho	25,970	25,636	25,515	25,625	25,294	24,484	23,913	23,131	22,927
% Ch	0.4%	-1.3%	-0.5%	0.4%	-1.3%	-3.2%	-2.3%	-3.3%	-0.9%
National (Thousands)	6,714	6,649	6,491	6,387	6,105	5,773	5,545	5,390	5,271
% Ch	-0.6%	-1.0%	-2.4%	-1.6%	-4.4%	-5.4%	-3.9%	-2.8%	-2.2%
FOOD PROCESSING									
Idaho	17,263	16,830	16,705	16,660	16,521	16,354	15,900	14,999	14,714
% Ch	0.8%	-2.5%	-0.7%	-0.3%	-0.8%	-1.0%	-2.8%	-5.7%	-1.9%
National (Thousands)	1,557	1,555	1,550	1,553	1,550	1,525	1,517	1,494	1,478
% Ch	-0.3%	-0.1%	-0.3%	0.2%	-0.2%	-1.6%	-0.5%	-1.5%	-1.1%
PRINTING									
Idaho	2,326	2,307	2,234	2,339	2,225	2,033	2,030	1,921	1,899
% Ch	-1.6%	-0.8%	-3.2%	4.7%	-4.9%	-8.6%	-0.1%	-5.3%	-1.2%
National (Thousands)	821	828	814	807	769	707	680	663	646
% Ch	0.6%	0.8%	-1.6%	-0.9%	-4.7%	-8.1%	-3.8%	-2.6%	-2.4%
CHEMICALS									
Idaho	2,273	2,361	2,314	2,336	2,324	1,926	1,831	1,878	1,938
% Ch	-2.5%	3.9%	-2.0%	1.0%	-0.5%	-17.1%	-4.9%	2.6%	3.2%
National (Thousands)	987	993	983	980	959	927	906	887	872
% Ch	0.2%	0.6%	-1.0%	-0.2%	-2.2%	-3.3%	-2.3%	-2.1%	-1.7%
OTHER NONDURABLES									
Idaho	4,108	4,138	4,262	4,290	4,224	4,172	4,151	4,332	4,377
% Ch	1.4%	0.7%	3.0%	0.7%	-1.5%	-1.2%	-0.5%	4.4%	1.0%
National (Thousands)	3,348	3,273	3,143	3,046	2,827	2,614	2,442	2,347	2,275
% Ch	-1.2%	-2.3%	-3.9%	-3.1%	-7.2%	-7.5%	-6.6%	-3.9%	-3.1%
MINING									
Idaho	2,997	2,817	2,485	2,347	1,973	1,759	1,785	1,931	2,160
% Ch	0.7%	-6.0%	-11.8%	-5.5%	-15.9%	-10.9%	1.5%	8.2%	11.8%
National (Thousands)	571	565	518	520	532	512	503	523	562
% Ch	2.7%	-1.1%	-8.4%	0.5%	2.4%	-3.8%	-1.9%	4.0%	7.5%
CONSTRUCTION									
Idaho	32,325	32,630	35,024	36,504	37,860	36,468	36,739	39,840	45,130
% Ch	3.9%	0.9%	7.3%	4.2%	3.7%	-3.7%	0.7%	8.4%	13.3%
National (Thousands)	5,813	6,147	6,545	6,788	6,827	6,715	6,736	6,973	7,333
% Ch	5.0%	5.8%	6.5%	3.7%	0.6%	-1.6%	0.3%	3.5%	5.2%
NONGOODS PRODUCING									
Idaho	401,918	413,504	429,378	446,697	457,808	463,014	470,161	482,605	499,361
% Ch	3.5%	2.9%	3.8%	4.0%	2.5%	1.1%	1.5%	2.6%	3.5%
National (Thousands)	98,883	101,571	104,526	107,141	107,957	107,786	108,180	109,541	111,508
% Ch	2.7%	2.7%	2.9%	2.5%	0.8%	-0.2%	0.4%	1.3%	1.8%
SERVICES									
Idaho	210,034	217,464	227,557	238,281	249,577	253,630	260,018	269,013	280,741
% Ch	3.9%	3.5%	4.6%	4.7%	4.7%	1.6%	2.5%	3.5%	4.4%
National (Thousands)	59,170	61,256	63,350	65,139	65,824	65,596	66,074	67,201	68,661
% Ch	3.6%	3.5%	3.4%	2.8%	1.1%	-0.3%	0.7%	1.7%	2.2%
INFORMATION									
Idaho	7,587	8,376	9,274	9,859	9,596	9,156	9,181	9,935	11,072
% Ch	-1.5%	10.4%	10.7%	6.3%	-2.7%	-4.6%	0.3%	8.2%	11.4%
National (Thousands)	3,084	3,219	3,418	3,630	3,629	3,394	3,189	3,117	3,061
% Ch	4.9%	4.4%	6.2%	6.2%	0.0%	-6.5%	-6.1%	-2.2%	-1.8%
FINANCIAL ACTIVITIES									
Idaho	26,835	24,256	25,306	25,161	25,013	25,824	26,945	27,937	29,653
% Ch	0.0%	-9.6%	4.3%	-0.6%	-0.6%	3.2%	4.3%	3.7%	6.1%
National (Thousands)	7,178	7,462	7,646	7,688	7,809	7,848	7,976	8,031	8,153
% Ch	3.0%	4.0%	2.5%	0.5%	1.6%	0.5%	1.6%	0.7%	1.5%

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EMPLOYMENT

MANUFACTURING (continued)	2006	2007	2008	2009	2010	2011	2012	2013	2014
NONDURABLE MANUFACTURING									
Idaho	23,234	23,860	24,581	23,639	23,111	23,270	23,730	24,290	24,610
% Ch	1.3%	2.7%	3.0%	-3.8%	-2.2%	0.7%	2.0%	2.4%	1.3%
National (Thousands)	5,175	5,070	4,940	4,574	4,499	4,517	4,550	4,549	4,511
% Ch	-1.8%	-2.0%	-2.6%	-7.4%	-1.7%	0.4%	0.7%	0.0%	-0.8%
FOOD PROCESSING									
Idaho	14,699	15,092	15,833	15,664	15,395	15,536	15,935	16,438	16,731
% Ch	-0.1%	2.7%	4.9%	-1.1%	-1.7%	0.9%	2.6%	3.2%	1.8%
National (Thousands)	1,480	1,484	1,480	1,459	1,458	1,480	1,527	1,550	1,557
% Ch	0.1%	0.3%	-0.2%	-1.4%	-0.1%	1.5%	3.2%	1.5%	0.5%
PRINTING									
Idaho	1,907	1,892	1,808	1,434	1,273	1,243	1,217	1,201	1,173
% Ch	0.4%	-0.8%	-4.4%	-20.7%	-11.2%	-2.4%	-2.1%	-1.3%	-2.3%
National (Thousands)	635	622	594	524	494	483	473	461	447
% Ch	-1.8%	-2.0%	-4.6%	-11.8%	-5.7%	-2.2%	-2.1%	-2.5%	-3.2%
CHEMICALS									
Idaho	2,117	2,266	2,366	2,275	2,240	2,238	2,218	2,186	2,152
% Ch	9.2%	7.1%	4.4%	-3.9%	-1.5%	-0.1%	-0.9%	-1.5%	-1.6%
National (Thousands)	866	861	847	803	781	781	777	779	778
% Ch	-0.7%	-0.6%	-1.7%	-5.2%	-2.7%	0.1%	-0.6%	0.3%	0.0%
OTHER NONDURABLES									
Idaho	4,512	4,610	4,573	4,266	4,204	4,252	4,360	4,465	4,554
% Ch	3.1%	2.2%	-0.8%	-6.7%	-1.5%	1.2%	2.5%	2.4%	2.0%
National (Thousands)	2,195	2,103	2,020	1,789	1,766	1,772	1,773	1,759	1,729
% Ch	-3.5%	-4.2%	-4.0%	-11.4%	-1.3%	0.3%	0.0%	-0.8%	-1.7%
MINING									
Idaho	2,373	2,666	2,601	2,173	2,260	2,391	2,447	2,578	2,724
% Ch	9.9%	12.4%	-2.4%	-16.5%	4.0%	5.8%	2.3%	5.4%	5.7%
National (Thousands)	620	663	709	650	679	687	664	660	634
% Ch	10.3%	7.0%	6.9%	-8.3%	4.4%	1.2%	-3.3%	-0.7%	-3.9%
CONSTRUCTION									
Idaho	52,050	52,599	45,011	34,402	30,856	29,583	30,768	32,739	34,612
% Ch	15.3%	1.1%	-14.4%	-23.6%	-10.3%	-4.1%	4.0%	6.4%	5.7%
National (Thousands)	7,692	7,630	7,161	6,036	5,613	5,544	5,706	6,188	6,693
% Ch	4.9%	-0.8%	-6.1%	-15.7%	-7.0%	-1.2%	2.9%	8.5%	8.2%
NONGOODS PRODUCING									
Idaho	516,578	532,900	536,676	517,989	515,096	521,649	533,958	547,257	560,542
% Ch	3.4%	3.2%	0.7%	-3.5%	-0.6%	1.3%	2.4%	2.5%	2.4%
National (Thousands)	113,552	115,357	115,449	112,291	112,257	113,438	115,420	117,068	118,866
% Ch	1.8%	1.6%	0.1%	-2.7%	0.0%	1.1%	1.7%	1.4%	1.5%
SERVICES									
Idaho	292,715	304,471	307,061	296,044	295,368	302,270	311,869	321,883	331,584
% Ch	4.3%	4.0%	0.9%	-3.6%	-0.2%	2.3%	3.2%	3.2%	3.0%
National (Thousands)	70,323	71,608	71,719	69,586	69,754	71,166	72,716	73,795	75,093
% Ch	2.4%	1.8%	0.2%	-3.0%	0.2%	2.0%	2.2%	1.5%	1.8%
INFORMATION									
Idaho	10,591	10,912	11,027	10,053	9,719	9,704	9,944	10,223	10,519
% Ch	-4.3%	3.0%	1.1%	-8.8%	-3.3%	-0.2%	2.5%	2.8%	2.9%
National (Thousands)	3,038	3,031	2,984	2,808	2,723	2,738	2,812	2,864	2,886
% Ch	-0.8%	-0.2%	-1.6%	-5.9%	-3.0%	0.6%	2.7%	1.9%	0.8%
FINANCIAL ACTIVITIES									
Idaho	31,745	32,530	31,652	29,621	28,878	29,154	29,965	30,540	31,027
% Ch	7.1%	2.5%	-2.7%	-6.4%	-2.5%	1.0%	2.8%	1.9%	1.6%
National (Thousands)	8,328	8,300	8,143	7,758	7,596	7,696	7,846	7,849	7,888
% Ch	2.2%	-0.3%	-1.9%	-4.7%	-2.1%	1.3%	1.9%	0.0%	0.5%

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IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011
EMPLOYMENT

SERVICES (Continued)	1997	1998	1999	2000	2001	2002	2003	2004	2005
TRANS., WAREHOUSING, UTILITIES									
Idaho	17,624	18,159	19,004	19,409	19,157	18,676	18,763	18,945	19,292
% Ch	1.7%	3.0%	4.7%	2.1%	-1.3%	-2.5%	0.5%	1.0%	1.8%
National (Thousands)	4,647	4,781	4,906	5,013	4,973	4,820	4,761	4,814	0
% Ch	1.5%	2.9%	2.6%	2.2%	-0.8%	-3.1%	-1.2%	1.1%	-100.0%
PROFESSIONAL & BUSINESS									
Idaho	47,295	50,766	54,793	60,626	67,655	69,018	70,005	73,140	76,902
% Ch	10.2%	7.3%	7.9%	10.6%	11.6%	2.0%	1.4%	4.5%	5.1%
National (Thousands)	14,333	15,142	15,955	16,672	16,480	15,975	15,985	16,388	16,952
% Ch	6.5%	5.6%	5.4%	4.5%	-1.1%	-3.1%	0.1%	2.5%	3.4%
EDUCATION & HEALTH									
Idaho	46,347	49,248	50,574	53,017	56,956	59,808	62,551	65,218	67,995
% Ch	4.5%	6.3%	2.7%	4.8%	7.4%	5.0%	4.6%	4.3%	4.3%
National (Thousands)	14,088	14,445	14,795	15,109	15,643	16,201	16,588	16,950	17,370
% Ch	3.0%	2.5%	2.4%	2.1%	3.5%	3.6%	2.4%	2.2%	2.5%
LEISURE & HOSPITALITY									
Idaho	48,840	50,425	51,461	52,565	53,058	53,281	54,405	55,566	57,348
% Ch	2.7%	3.2%	2.1%	2.1%	0.9%	0.4%	2.1%	2.1%	3.2%
National (Thousands)	11,016	11,232	11,544	11,860	12,032	11,986	12,175	12,492	12,813
% Ch	2.3%	2.0%	2.8%	2.7%	1.5%	-0.4%	1.6%	2.6%	2.6%
OTHER SERVICES									
Idaho	15,506	16,235	17,144	17,643	18,143	17,867	18,168	18,271	18,478
% Ch	0.7%	4.7%	5.6%	2.9%	2.8%	-1.5%	1.7%	0.6%	1.1%
National (Thousands)	4,825	4,976	5,087	5,168	5,258	5,372	5,401	5,409	5,395
% Ch	2.9%	3.1%	2.2%	1.6%	1.7%	2.2%	0.5%	0.2%	-0.3%
TRADE									
Idaho	91,683	93,772	96,725	100,169	98,088	97,343	97,120	99,131	103,674
% Ch	2.9%	2.3%	3.1%	3.6%	-2.1%	-0.8%	-0.2%	2.1%	4.6%
National (Thousands)	20,053	20,405	20,863	21,212	21,013	20,680	20,526	20,722	21,043
% Ch	2.0%	1.8%	2.2%	1.7%	-0.9%	-1.6%	-0.7%	1.0%	1.5%
RETAIL TRADE									
Idaho	67,175	69,160	71,419	74,456	72,622	72,397	72,624	73,724	76,799
% Ch	2.7%	3.0%	3.3%	4.3%	-2.5%	-0.3%	0.3%	1.5%	4.2%
National (Thousands)	14,390	14,610	14,971	15,279	15,240	15,027	14,918	15,061	15,281
% Ch	1.8%	1.5%	2.5%	2.1%	-0.3%	-1.4%	-0.7%	1.0%	1.5%
WHOLESALE TRADE									
Idaho	24,508	24,612	25,306	25,713	25,466	24,946	24,496	25,406	26,875
% Ch	3.3%	0.4%	2.8%	1.6%	-1.0%	-2.0%	-1.8%	3.7%	5.8%
National (Thousands)	5,663	5,795	5,893	5,933	5,773	5,653	5,608	5,661	5,762
% Ch	2.6%	2.3%	1.7%	0.7%	-2.7%	-2.1%	-0.8%	0.9%	1.8%
STATE & LOCAL GOVERNMENT									
Idaho	87,297	89,467	92,262	94,745	96,862	98,488	99,396	101,146	101,863
% Ch	3.5%	2.5%	3.1%	2.7%	2.2%	1.7%	0.9%	1.8%	0.7%
National (Thousands)	16,488	16,653	16,854	17,139	17,542	17,925	18,357	18,744	18,820
% Ch	1.4%	1.0%	1.2%	1.7%	2.4%	2.2%	2.4%	2.1%	0.4%
EDUCATION									
Idaho	44,219	45,412	46,749	47,989	49,024	49,656	49,908	50,813	51,302
% Ch	3.9%	2.7%	2.9%	2.7%	2.2%	1.3%	0.5%	1.8%	1.0%
NONEDUCATION									
Idaho	43,078	44,055	45,513	46,756	47,838	48,832	49,488	50,333	50,561
% Ch	3.1%	2.3%	3.3%	2.7%	2.3%	2.1%	1.3%	1.7%	0.5%
FEDERAL GOVERNMENT									
Idaho	12,904	12,800	12,834	13,502	13,281	13,552	13,625	13,316	13,083
% Ch	0.0%	-0.8%	0.3%	5.2%	-1.6%	2.0%	0.5%	-2.3%	-1.7%
National (Thousands)	2,806	2,771	2,770	2,865	2,763	2,766	2,760	2,731	2,732
% Ch	-2.5%	-1.2%	0.0%	3.4%	-3.6%	0.1%	-0.2%	-1.1%	0.0%

National Variables Forecast by IHS Global Insight
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IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011
EMPLOYMENT

SERVICES (Continued)	2006	2007	2008	2009	2010	2011	2012	2013	2014
TRANS., WAREHOUSING, UTILITIES									
Idaho	20,240	21,032	21,023	20,016	20,473	20,904	21,749	22,447	23,043
% Ch	4.9%	3.9%	0.0%	-4.8%	2.3%	2.1%	4.0%	3.2%	2.7%
National (Thousands)	5,017	5,093	5,065	4,795	4,729	4,857	5,101	5,275	5,423
% Ch	2.0%	1.5%	-0.5%	-5.3%	-1.4%	2.7%	5.0%	3.4%	2.8%
PROFESSIONAL & BUSINESS									
Idaho	81,348	83,195	81,244	75,477	73,217	75,164	78,151	81,894	85,519
% Ch	5.8%	2.3%	-2.3%	-7.1%	-3.0%	2.7%	4.0%	4.8%	4.4%
National (Thousands)	17,570	17,944	17,735	16,575	16,692	17,288	17,999	18,665	19,489
% Ch	3.6%	2.1%	-1.2%	-6.5%	0.7%	3.6%	4.1%	3.7%	4.4%
EDUCATION & HEALTH									
Idaho	70,117	74,068	77,750	80,988	84,189	87,047	90,145	93,229	96,136
% Ch	3.1%	5.6%	5.0%	4.2%	4.0%	3.4%	3.6%	3.4%	3.1%
National (Thousands)	17,824	18,321	18,840	19,187	19,552	19,952	20,255	20,381	20,689
% Ch	2.6%	2.8%	2.8%	1.8%	1.9%	2.0%	1.5%	0.6%	1.5%
LEISURE & HOSPITALITY									
Idaho	59,654	63,265	63,208	58,677	57,721	58,893	60,091	61,421	62,959
% Ch	4.0%	6.1%	-0.1%	-7.2%	-1.6%	2.0%	2.0%	2.2%	2.5%
National (Thousands)	13,108	13,425	13,437	13,101	13,108	13,191	13,264	13,331	13,276
% Ch	2.3%	2.4%	0.1%	-2.5%	0.1%	0.6%	0.6%	0.5%	-0.4%
OTHER SERVICES									
Idaho	19,020	19,469	21,156	21,213	21,172	21,404	21,824	22,130	22,381
% Ch	2.9%	2.4%	8.7%	0.3%	-0.2%	1.1%	2.0%	1.4%	1.1%
National (Thousands)	5,438	5,494	5,515	5,363	5,354	5,445	5,438	5,430	5,442
% Ch	0.8%	1.0%	0.4%	-2.8%	-0.2%	1.7%	-0.1%	-0.2%	0.2%
TRADE									
Idaho	107,462	111,649	110,452	102,442	101,085	102,564	104,980	107,860	110,995
% Ch	3.7%	3.9%	-1.1%	-7.3%	-1.3%	1.5%	2.4%	2.7%	2.9%
National (Thousands)	21,258	21,532	21,226	20,154	20,037	20,108	20,496	20,831	21,081
% Ch	1.0%	1.3%	-1.4%	-5.1%	-0.6%	0.4%	1.9%	1.6%	1.2%
RETAIL TRADE									
Idaho	80,511	83,549	82,613	76,390	75,182	76,231	77,990	80,273	82,760
% Ch	4.8%	3.8%	-1.1%	-7.5%	-1.6%	1.4%	2.3%	2.9%	3.1%
National (Thousands)	15,354	15,517	15,284	14,530	14,454	14,421	14,592	14,793	14,923
% Ch	0.5%	1.1%	-1.5%	-4.9%	-0.5%	-0.2%	1.2%	1.4%	0.9%
WHOLESALE TRADE									
Idaho	26,951	28,099	27,839	26,052	25,904	26,333	26,990	27,587	28,235
% Ch	0.3%	4.3%	-0.9%	-6.4%	-0.6%	1.7%	2.5%	2.2%	2.3%
National (Thousands)	5,904	6,015	5,943	5,625	5,583	5,687	5,904	6,038	6,157
% Ch	2.5%	1.9%	-1.2%	-5.4%	-0.7%	1.9%	3.8%	2.3%	2.0%
STATE & LOCAL GOVERNMENT									
Idaho	103,523	103,962	105,964	106,014	104,874	103,459	103,741	104,119	104,547
% Ch	1.6%	0.4%	1.9%	0.0%	-1.1%	-1.3%	0.3%	0.4%	0.4%
National (Thousands)	19,239	19,484	19,743	19,724	19,508	19,339	19,439	19,714	19,991
% Ch	0.9%	1.3%	1.3%	-0.1%	-1.1%	-0.9%	0.5%	1.4%	1.4%
EDUCATION									
Idaho	52,645	53,008	53,589	54,641	54,586	54,600	55,208	55,785	56,271
% Ch	2.6%	0.7%	1.1%	2.0%	-0.1%	0.0%	1.1%	1.0%	0.9%
NONEDUCATION									
Idaho	50,878	50,954	52,375	51,373	50,289	48,860	48,533	48,334	48,277
% Ch	0.6%	0.1%	2.8%	-1.9%	-2.1%	-2.8%	-0.7%	-0.4%	-0.1%
FEDERAL GOVERNMENT									
Idaho	12,878	12,818	13,199	13,489	13,769	13,356	13,368	13,395	13,415
% Ch	-1.6%	-0.5%	3.0%	2.2%	2.1%	-3.0%	0.1%	0.2%	0.2%
National (Thousands)	2,733	2,734	2,762	2,827	2,958	2,824	2,770	2,729	2,702
% Ch	0.0%	0.1%	1.0%	2.4%	4.6%	-4.5%	-1.9%	-1.5%	-1.0%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

MISCELLANEOUS

	1997	1998	1999	2000	2001	2002	2003	2004	2005
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	84.555	85.507	86.765	88.648	90.654	92.113	94.100	96.769	100.000
% Ch	1.8%	1.1%	1.5%	2.2%	2.3%	1.6%	2.2%	2.8%	3.3%
Consumption Expenditures	85.395	86.207	87.596	89.778	91.489	92.736	94.622	97.098	100.000
% Ch	1.9%	1.0%	1.6%	2.5%	1.9%	1.4%	2.0%	2.6%	3.0%
Durable Goods	120.314	116.909	113.741	111.694	109.479	106.672	102.907	101.005	100.000
% Ch	-2.2%	-2.8%	-2.7%	-1.8%	-2.0%	-2.6%	-3.5%	-1.8%	-1.0%
Nondurable Goods	84.789	84.160	86.259	90.006	90.952	90.878	92.791	96.120	100.000
% Ch	1.0%	-0.7%	2.5%	4.3%	1.1%	-0.1%	2.1%	3.6%	4.0%
Services	79.817	81.695	83.515	85.824	88.429	90.807	93.692	96.688	100.000
% Ch	3.0%	2.4%	2.2%	2.8%	3.0%	2.7%	3.2%	3.2%	3.4%
Consumer Price Index (1982-84=1.000)	1.605	1.630	1.666	1.722	1.770	1.799	1.840	1.889	1.953
% Ch	2.3%	1.5%	2.2%	3.4%	2.8%	1.6%	2.3%	2.7%	3.4%

SELECTED INTEREST RATES

Federal Funds	5.5%	5.4%	5.0%	6.2%	3.9%	1.7%	1.1%	1.3%	3.2%
NY Fed Discount	5.0%	4.9%	4.6%	5.7%	3.4%	1.2%	2.1%	2.3%	4.2%
Prime	8.4%	8.4%	8.0%	9.2%	6.9%	4.7%	4.1%	4.3%	6.2%
Existing Home Mortgage	7.7%	7.1%	7.3%	8.0%	7.0%	6.5%	5.7%	5.7%	5.9%
U.S. Govt. 3-Month Bills	5.1%	4.8%	4.6%	5.8%	3.4%	1.6%	1.0%	1.4%	3.1%
U.S. Govt. 6-Month Bills	5.2%	4.8%	4.7%	5.9%	3.4%	1.7%	1.1%	1.6%	3.4%
U.S. Govt. 5-Year Notes	6.2%	5.2%	5.5%	6.2%	4.6%	3.8%	3.0%	3.4%	4.0%
U.S. Govt. 10-Year Notes	6.4%	5.3%	5.6%	6.0%	5.0%	4.6%	4.0%	4.3%	4.3%

SELECTED US PRODUCTION INDICES

Wood Products	93.1	97.3	100.8	99.6	93.3	96.5	96.5	99.1	105.8
% Ch	3.0%	4.5%	3.7%	-1.3%	-6.3%	3.4%	0.0%	2.7%	6.8%
Computers & Electronic Products	24.0	30.9	40.4	52.9	54.0	52.7	60.2	68.4	76.9
% Ch	33.9%	28.8%	30.8%	30.9%	2.1%	-2.4%	14.2%	13.6%	12.5%
Food	86.5	90.3	91.3	92.9	93.0	95.0	95.6	95.6	98.6
% Ch	2.8%	4.4%	1.1%	1.7%	0.0%	2.1%	0.7%	0.0%	3.1%
Agricultural Chemicals	111.4	113.7	102.4	96.9	89.3	92.1	96.3	100.4	104.2
% Ch	3.8%	2.1%	-9.9%	-5.4%	-7.9%	3.2%	4.5%	4.3%	3.8%
Metal Ore Mining	129.7	129.0	117.9	117.3	106.3	97.3	92.8	94.9	100.4
% Ch	5.5%	-0.6%	-8.6%	-0.6%	-9.3%	-8.4%	-4.6%	2.2%	5.9%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
ANNUAL DETAIL
JANUARY 2011**

MISCELLANEOUS

	2006	2007	2008	2009	2010	2011	2012	2013	2014
SELECTED CHAIN-WEIGHTED DEFL.									
Gross Domestic Product	103.263	106.301	108.598	109.618	110.668	112.117	113.714	115.588	117.779
% Ch	3.3%	2.9%	2.2%	0.9%	1.0%	1.3%	1.4%	1.6%	1.9%
Consumption Expenditures	102.746	105.564	109.061	109.258	111.174	112.663	114.436	116.446	118.789
% Ch	2.7%	2.7%	3.3%	0.2%	1.8%	1.3%	1.6%	1.8%	2.0%
Durable Goods	98.488	96.737	95.340	93.782	92.497	91.217	90.292	89.627	89.112
% Ch	-1.5%	-1.8%	-1.4%	-1.6%	-1.4%	-1.4%	-1.0%	-0.7%	-0.6%
Nondurable Goods	103.215	106.488	112.485	109.262	112.737	115.330	117.520	119.820	122.462
% Ch	3.2%	3.2%	5.6%	-2.9%	3.2%	2.3%	1.9%	2.0%	2.2%
Services	103.411	106.973	110.566	112.233	114.231	115.891	118.079	120.562	123.417
% Ch	3.4%	3.4%	3.4%	1.5%	1.8%	1.5%	1.9%	2.1%	2.4%
Consumer Price Index (1982-84=100)	2.016	2.073	2.152	2.145	2.181	2.214	2.256	2.302	2.353
% Ch	3.2%	2.9%	3.8%	-0.3%	1.7%	1.5%	1.9%	2.0%	2.2%
SELECTED INTEREST RATES									
Federal Funds	5.0%	5.0%	1.9%	0.2%	0.2%	0.1%	1.3%	3.4%	3.6%
NY Fed Discount	5.9%	5.9%	2.4%	0.5%	0.7%	0.7%	1.8%	4.2%	4.6%
Prime	8.0%	8.1%	5.1%	3.3%	3.3%	3.3%	4.3%	6.4%	6.6%
Existing Home Mortgage	6.6%	6.5%	6.2%	5.1%	4.9%	4.6%	5.2%	6.2%	6.3%
U.S. Govt. 3-Month Bills	4.7%	4.4%	1.4%	0.2%	0.1%	0.3%	1.4%	3.4%	3.6%
U.S. Govt. 6-Month Bills	4.8%	4.5%	1.7%	0.3%	0.2%	0.4%	1.6%	3.5%	3.7%
U.S. Govt. 5-Year Notes	4.7%	4.4%	2.8%	2.2%	1.9%	1.5%	2.7%	4.3%	4.4%
U.S. Govt. 10-Year Notes	4.8%	4.6%	3.7%	3.3%	3.1%	2.6%	3.4%	4.6%	4.8%
SELECTED US PRODUCTION INDICES									
Wood Products	106.7	100.0	85.8	68.2	68.8	71.4	85.6	93.9	96.7
% Ch	0.9%	-6.3%	-14.2%	-20.5%	0.9%	3.7%	20.0%	9.6%	3.0%
Computers & Electronic Products	87.1	100.0	109.4	100.4	114.1	128.1	146.0	168.6	198.2
% Ch	13.2%	14.8%	9.4%	-8.2%	13.6%	12.3%	14.0%	15.4%	17.6%
Food	99.4	100.0	98.6	97.6	103.1	106.1	107.9	109.5	111.1
% Ch	0.9%	0.6%	-1.4%	-1.0%	5.7%	2.8%	1.7%	1.4%	1.5%
Agricultural Chemicals	108.6	100.0	89.3	85.3	89.5	90.3	91.7	92.4	93.3
% Ch	4.3%	-7.9%	-10.7%	-4.5%	4.9%	0.9%	1.6%	0.7%	1.0%
Metal Ore Mining	102.5	100.0	103.7	89.8	97.0	102.5	105.4	107.0	105.8
% Ch	2.0%	-2.4%	3.7%	-13.4%	8.0%	5.7%	2.9%	1.4%	-1.1%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011

DEMOGRAPHICS

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,516.4	1,521.4	1,526.2	1,529.4	1,536.1	1,542.0	1,549.0	1,559.8	1,561.7	1,564.8	1,567.5	1,570.4
% Ch	1.6%	1.3%	1.3%	0.8%	1.8%	1.5%	1.8%	2.8%	0.5%	0.8%	0.7%	0.7%
National (Millions)	304.117	304.798	305.554	306.208	306.787	307.439	308.193	308.949	309.705	310.460	311.211	311.960
% Ch	0.8%	0.9%	1.0%	0.9%	0.8%	0.9%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
BIRTHS												
Idaho (Thousands)	25.403	25.283	25.059	24.742	23.789	23.541	23.737	23.840	25.560	25.565	25.551	25.544
% Ch	-0.7%	-1.9%	-3.5%	-5.0%	-14.5%	-4.1%	3.4%	1.7%	32.1%	0.1%	-0.2%	-0.1%
National (Thousands)	4,310	4,321	4,334	4,344	4,354	4,365	4,377	4,389	4,403	4,415	4,426	4,436
% Ch	0.9%	1.0%	1.1%	1.0%	0.9%	1.0%	1.1%	1.1%	1.3%	1.1%	1.0%	0.9%
DEATHS												
Idaho (Thousands)	10.880	10.926	10.962	10.984	11.015	11.057	11.105	11.136	11.173	11.201	11.226	11.253
% Ch	1.9%	1.7%	1.3%	0.8%	1.2%	1.5%	1.7%	1.1%	1.4%	1.0%	0.9%	0.9%
National (Thousands)	2,514	2,520	2,527	2,533	2,539	2,545	2,552	2,559	2,567	2,574	2,580	2,587
% Ch	1.0%	1.0%	1.1%	1.0%	0.9%	1.0%	1.1%	1.1%	1.2%	1.1%	1.0%	1.0%
NET MIGRATION												
Idaho (Thousands)	20.375	15.642	11.248	5.395	6.863	8.117	10.135	17.663	11.200	8.467	4.191	-3.672
HOUSING												
HOUSING STARTS												
Idaho	9,515	9,237	7,357	5,842	4,962	5,007	6,510	6,218	6,717	5,574	3,601	5,207
% Ch	-59.0%	-11.2%	-59.8%	-60.2%	-47.9%	3.7%	185.8%	-16.8%	36.2%	-52.6%	-82.6%	337.1%
National (Millions)	1.064	1.011	0.862	0.663	0.530	0.537	0.586	0.565	0.617	0.602	0.589	0.607
% Ch	-30.7%	-18.6%	-47.0%	-65.1%	-59.3%	5.4%	42.2%	-13.8%	42.6%	-9.4%	-8.2%	12.6%
SINGLE UNITS												
Idaho	8,509	8,304	6,725	5,036	3,560	4,448	5,920	5,942	6,286	5,096	3,382	4,759
% Ch	-42.1%	-9.3%	-57.0%	-68.6%	-75.0%	143.8%	213.9%	1.4%	25.3%	-56.8%	-80.6%	292.1%
National (Millions)	0.742	0.669	0.586	0.468	0.362	0.423	0.496	0.488	0.524	0.491	0.437	0.461
% Ch	-38.8%	-33.7%	-41.1%	-59.4%	-64.3%	86.5%	90.2%	-6.3%	32.9%	-23.3%	-36.9%	23.6%
MULTIPLE UNITS												
Idaho	1,006	933	632	806	1,403	559	590	276	431	477	220	449
% Ch	-95.1%	-26.0%	-78.9%	164.0%	817.2%	-97.5%	23.8%	-95.2%	493.2%	50.9%	-95.5%	1636.6%
National (Millions)	0.322	0.341	0.276	0.195	0.168	0.114	0.090	0.076	0.093	0.111	0.152	0.146
% Ch	-6.0%	25.7%	-57.3%	-75.1%	-44.9%	-78.8%	-61.7%	-47.5%	117.2%	108.4%	247.4%	-14.9%
HOUSING STOCK												
Idaho (Thousands)	535.5	537.4	538.8	539.9	540.7	541.6	542.8	543.9	545.2	546.2	546.7	547.6
% Ch	1.5%	1.4%	1.1%	0.8%	0.6%	0.6%	0.9%	0.8%	0.9%	0.7%	0.4%	0.7%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

DEMOGRAPHICS

	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
POPULATION												
Idaho (Thousands)	1,577.6	1,584.6	1,592.1	1,599.7	1,606.9	1,614.2	1,621.6	1,629.0	1,636.5	1,643.9	1,651.3	1,658.6
% Ch	1.8%	1.8%	1.9%	1.9%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%	1.8%
National (Millions)	312.709	313.459	314.214	314.971	315.731	316.493	317.256	318.022	318.789	319.558	320.328	321.101
% Ch	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
BIRTHS												
Idaho (Thousands)	25.715	25.881	26.062	26.252	26.426	26.603	26.781	26.963	27.145	27.326	27.506	27.683
% Ch	2.7%	2.6%	2.8%	2.9%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.7%	2.6%
National (Thousands)	4,445	4,455	4,464	4,474	4,483	4,492	4,501	4,510	4,519	4,527	4,534	4,542
% Ch	0.8%	0.9%	0.9%	0.8%	0.8%	0.8%	0.8%	0.8%	0.8%	0.7%	0.7%	0.6%
DEATHS												
Idaho (Thousands)	11.301	11.348	11.398	11.448	11.496	11.545	11.594	11.644	11.693	11.742	11.792	11.840
% Ch	1.7%	1.7%	1.8%	1.8%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%	1.7%
National (Thousands)	2,592	2,598	2,605	2,612	2,619	2,626	2,634	2,641	2,648	2,655	2,662	2,670
% Ch	0.8%	1.0%	1.0%	1.1%	1.2%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%
NET MIGRATION												
Idaho (Thousands)	1.499	5.270	9.871	14.492	14.424	14.566	14.365	14.024	14.099	14.075	13.977	13.751
HOUSING												
HOUSING STARTS												
Idaho	5,523	6,093	7,374	8,371	9,454	10,690	12,055	12,866	13,283	13,767	14,253	14,646
% Ch	26.5%	48.1%	114.6%	66.1%	62.7%	63.5%	61.7%	29.8%	13.6%	15.4%	14.9%	11.5%
National (Millions)	0.644	0.718	0.824	0.946	1.083	1.184	1.269	1.305	1.341	1.392	1.430	1.469
% Ch	26.9%	54.3%	73.1%	73.6%	72.0%	42.7%	32.2%	11.9%	11.6%	16.1%	11.3%	11.2%
SINGLE UNITS												
Idaho	4,996	5,442	6,545	7,460	8,467	9,611	10,765	11,605	12,151	12,584	12,997	13,302
% Ch	21.5%	40.8%	109.1%	68.8%	66.0%	66.0%	57.3%	35.1%	20.2%	15.0%	13.8%	9.7%
National (Millions)	0.494	0.557	0.647	0.762	0.900	0.999	1.077	1.109	1.136	1.177	1.201	1.215
% Ch	32.1%	60.9%	81.9%	92.8%	94.5%	52.0%	35.0%	12.4%	10.1%	15.4%	8.5%	4.6%
MULTIPLE UNITS												
Idaho	527	650	829	911	987	1,078	1,290	1,261	1,131	1,183	1,256	1,344
% Ch	89.6%	132.7%	164.7%	45.6%	37.5%	42.7%	104.8%	-8.7%	-35.2%	19.7%	26.7%	31.2%
National (Millions)	0.150	0.161	0.177	0.184	0.183	0.185	0.192	0.197	0.206	0.215	0.229	0.254
% Ch	11.4%	33.8%	45.2%	15.5%	-1.1%	3.2%	17.6%	9.4%	19.8%	20.1%	27.7%	51.1%
HOUSING STOCK												
Idaho (Thousands)	548.5	549.7	551.1	552.8	554.7	557.0	559.6	562.4	565.3	568.3	571.4	574.7
% Ch	0.7%	0.8%	1.0%	1.2%	1.4%	1.6%	1.9%	2.0%	2.1%	2.2%	2.2%	2.3%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

OUTPUT, INCOME, & WAGES

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GROSS DOM. PRODUCT (Billions)												
Current Dollars	14,328	14,472	14,485	14,191	14,050	14,035	14,115	14,277	14,446	14,579	14,730	14,826
% Ch	1.0%	4.1%	0.4%	-7.9%	-3.9%	-0.4%	2.3%	4.7%	4.8%	3.7%	4.2%	2.6%
2005 Chain-Weighted	13,339	13,359	13,224	12,994	12,833	12,810	12,861	13,019	13,139	13,195	13,261	13,342
% Ch	-0.7%	0.6%	-4.0%	-6.8%	-4.9%	-0.7%	1.6%	5.0%	3.7%	1.7%	2.0%	2.5%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	50,449	50,789	50,460	49,807	48,867	48,843	48,927	49,138	49,756	50,200	50,581	51,072
% Ch	2.9%	2.7%	-2.6%	-5.1%	-7.3%	-0.2%	0.7%	1.7%	5.1%	3.6%	3.1%	3.9%
Idaho Nonfarm (Millions)	48,328	49,016	48,626	48,250	47,604	47,737	47,699	47,825	48,315	48,863	49,055	49,348
% Ch	-0.6%	5.8%	-3.1%	-3.1%	-5.2%	1.1%	-0.3%	1.1%	4.2%	4.6%	1.6%	2.4%
National (Billions)	12,300	12,461	12,447	12,356	12,093	12,203	12,164	12,239	12,350	12,474	12,540	12,647
% Ch	5.3%	5.3%	-0.4%	-2.9%	-8.2%	3.7%	-1.3%	2.5%	3.7%	4.1%	2.1%	3.5%
PERSONAL INCOME - 2005 \$												
Idaho (Millions)	46,732	46,516	45,720	45,805	45,126	44,888	44,642	44,536	44,865	45,271	45,500	45,705
% Ch	-0.9%	-1.8%	-6.7%	0.7%	-5.8%	-2.1%	-2.2%	-0.9%	3.0%	3.7%	2.0%	1.8%
Idaho Nonfarm (Millions)	44,767	44,893	44,058	44,374	43,960	43,872	43,522	43,346	43,566	44,065	44,127	44,162
% Ch	-4.4%	1.1%	-7.2%	2.9%	-3.7%	-0.8%	-3.2%	-1.6%	2.0%	4.7%	0.6%	0.3%
National (Billions)	11,394	11,413	11,278	11,364	11,167	11,215	11,099	11,093	11,136	11,249	11,280	11,318
% Ch	1.4%	0.7%	-4.6%	3.1%	-6.7%	1.7%	-4.1%	-0.2%	1.6%	4.1%	1.1%	1.4%
PER CAPITA PERS INC - CURR \$												
Idaho	33,268	33,383	33,062	32,566	31,813	31,675	31,586	31,503	31,861	32,080	32,268	32,522
% Ch	1.3%	1.4%	-3.8%	-5.9%	-8.9%	-1.7%	-1.1%	-1.0%	4.6%	2.8%	2.4%	3.2%
National	40,446	40,883	40,736	40,353	39,419	39,694	39,469	39,615	39,878	40,178	40,293	40,541
% Ch	4.5%	4.4%	-1.4%	-3.7%	-8.9%	2.8%	-2.2%	1.5%	2.7%	3.1%	1.1%	2.5%
PER CAPITA PERS INC - 2005 \$												
Idaho	30,817	30,575	29,956	29,950	29,377	29,111	28,820	28,553	28,729	28,930	29,027	29,104
% Ch	-2.6%	-3.1%	-7.9%	-0.1%	-7.4%	-3.6%	-3.9%	-3.7%	2.5%	2.8%	1.3%	1.1%
National	37,466	37,443	36,909	37,111	36,401	36,480	36,012	35,905	35,958	36,233	36,245	36,281
% Ch	0.5%	-0.2%	-5.6%	2.2%	-7.4%	0.9%	-5.0%	-1.2%	0.6%	3.1%	0.1%	0.4%
AVERAGE ANNUAL WAGE												
Idaho	35,707	35,731	35,561	35,762	35,650	35,701	36,138	36,048	36,264	36,523	36,716	36,934
% Ch	-1.7%	0.3%	-1.9%	2.3%	-1.3%	0.6%	5.0%	-1.0%	2.4%	2.9%	2.1%	2.4%
National	47,832	47,822	48,046	48,121	47,134	47,957	48,155	48,480	48,508	48,642	48,956	49,323
% Ch	4.4%	-0.1%	1.9%	0.6%	-8.0%	7.2%	1.7%	2.7%	0.2%	1.1%	2.6%	3.0%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
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JANUARY 2011**

OUTPUT, INCOME, & WAGES

	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
U.S. GROSS DOM. PRODUCT (Billions)												
Current Dollars	14,977	15,089	15,225	15,397	15,570	15,742	15,914	16,098	16,273	16,442	16,611	16,784
% Ch	4.2%	3.0%	3.6%	4.6%	4.6%	4.5%	4.5%	4.7%	4.4%	4.2%	4.2%	4.2%
2005 Chain-Weighted	13,413	13,480	13,563	13,672	13,765	13,873	13,972	14,075	14,162	14,255	14,345	14,431
% Ch	2.2%	2.0%	2.5%	3.2%	2.8%	3.2%	2.9%	3.0%	2.5%	2.6%	2.6%	2.4%
PERSONAL INCOME - CURR \$												
Idaho (Millions)	51,412	51,696	52,148	52,572	53,216	53,887	54,543	55,244	55,940	56,639	57,319	57,980
% Ch	2.7%	2.2%	3.5%	3.3%	5.0%	5.1%	5.0%	5.2%	5.1%	5.1%	4.9%	4.7%
Idaho Nonfarm (Millions)	49,732	50,164	50,649	51,173	51,663	52,319	53,006	53,742	54,363	55,078	55,786	56,490
% Ch	3.2%	3.5%	3.9%	4.2%	3.9%	5.2%	5.4%	5.7%	4.7%	5.4%	5.2%	5.1%
National (Billions)	12,749	12,841	12,944	13,067	13,187	13,329	13,481	13,640	13,761	13,923	14,078	14,236
% Ch	3.3%	2.9%	3.2%	3.9%	3.7%	4.4%	4.6%	4.8%	3.6%	4.8%	4.5%	4.6%
PERSONAL INCOME - 2005 \$												
Idaho (Millions)	45,846	45,979	46,220	46,417	46,786	47,194	47,570	47,971	48,355	48,747	49,123	49,459
% Ch	1.2%	1.2%	2.1%	1.7%	3.2%	3.5%	3.2%	3.4%	3.2%	3.3%	3.1%	2.8%
Idaho Nonfarm (Millions)	44,349	44,617	44,892	45,182	45,420	45,820	46,229	46,667	46,992	47,404	47,809	48,189
% Ch	1.7%	2.4%	2.5%	2.6%	2.1%	3.6%	3.6%	3.8%	2.8%	3.5%	3.5%	3.2%
National (Billions)	11,369	11,421	11,473	11,537	11,594	11,674	11,757	11,845	11,895	11,983	12,065	12,144
% Ch	1.8%	1.9%	1.8%	2.3%	2.0%	2.8%	2.9%	3.0%	1.7%	3.0%	2.8%	2.6%
PER CAPITA PERS INC - CURR \$												
Idaho	32,589	32,623	32,755	32,864	33,117	33,382	33,635	33,912	34,183	34,454	34,711	34,956
% Ch	0.8%	0.4%	1.6%	1.3%	3.1%	3.2%	3.1%	3.3%	3.2%	3.2%	3.0%	2.9%
National	40,769	40,966	41,195	41,486	41,766	42,116	42,492	42,891	43,165	43,570	43,949	44,334
% Ch	2.3%	1.9%	2.3%	2.9%	2.7%	3.4%	3.6%	3.8%	2.6%	3.8%	3.5%	3.5%
PER CAPITA PERS INC - 2005 \$												
Idaho	29,061	29,016	29,032	29,017	29,115	29,236	29,335	29,448	29,548	29,653	29,748	29,819
% Ch	-0.6%	-0.6%	0.2%	-0.2%	1.4%	1.7%	1.4%	1.5%	1.4%	1.4%	1.3%	1.0%
National	36,356	36,436	36,512	36,630	36,720	36,884	37,059	37,245	37,313	37,499	37,665	37,819
% Ch	0.8%	0.9%	0.8%	1.3%	1.0%	1.8%	1.9%	2.0%	0.7%	2.0%	1.8%	1.6%
AVERAGE ANNUAL WAGE												
Idaho	37,176	37,417	37,657	37,897	38,121	38,401	38,681	38,957	39,229	39,511	39,802	40,094
% Ch	2.7%	2.6%	2.6%	2.6%	2.4%	3.0%	2.9%	2.9%	2.8%	2.9%	3.0%	3.0%
National	49,749	50,062	50,387	50,719	51,104	51,411	51,737	52,075	52,487	52,840	53,149	53,468
% Ch	3.5%	2.5%	2.6%	2.7%	3.1%	2.4%	2.6%	2.6%	3.2%	2.7%	2.4%	2.4%

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011

PERSONAL INCOME -- CURR \$\$

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	24,303	24,258	24,015	23,672	23,130	22,797	22,868	22,874	22,901	23,089	23,238	23,421
% Ch	-3.1%	-0.7%	-3.9%	-5.6%	-8.8%	-5.6%	1.3%	0.1%	0.5%	3.3%	2.6%	3.2%
National (Billions)	6,596	6,575	6,568	6,497	6,260	6,288	6,264	6,285	6,291	6,343	6,381	6,439
% Ch	4.5%	-1.3%	-0.4%	-4.2%	-13.8%	1.8%	-1.5%	1.3%	0.4%	3.3%	2.4%	3.7%
FARM PROPRIETORS INCOME												
Idaho (Millions)	1,538	1,189	1,247	965	587	425	544	628	750	642	748	909
% Ch	358.6%	-64.3%	21.0%	-64.1%	-86.3%	-72.5%	168.4%	77.6%	103.4%	-46.3%	84.1%	118.3%
National (Billions)	61	53	51	40	30	28	28	36	37	39	50	61
% Ch	205.8%	-43.2%	-15.7%	-62.6%	-68.5%	-19.9%	0.0%	179.4%	6.8%	24.9%	168.6%	121.9%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,515	4,483	4,403	4,267	4,101	4,056	4,103	4,144	4,220	4,295	4,300	4,364
% Ch	-22.6%	-2.8%	-6.9%	-11.8%	-14.7%	-4.3%	4.7%	4.1%	7.5%	7.3%	0.4%	6.1%
National (Billions)	1,047	1,063	1,061	1,034	989	973	978	986	994	1,011	1,009	1,023
% Ch	1.3%	6.6%	-0.9%	-10.0%	-16.1%	-6.5%	2.4%	3.1%	3.3%	6.9%	-0.7%	5.8%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	10,056	10,118	10,303	10,153	9,755	9,568	9,463	9,476	9,617	9,649	9,654	9,679
% Ch	3.7%	2.5%	7.5%	-5.7%	-14.8%	-7.5%	-4.3%	0.6%	6.1%	1.3%	0.2%	1.0%
National (Billions)	2,306	2,321	2,367	2,332	2,237	2,195	2,170	2,172	2,204	2,213	2,204	2,206
% Ch	3.6%	2.6%	8.2%	-5.8%	-15.2%	-7.3%	-4.5%	0.3%	6.0%	1.7%	-1.7%	0.3%
OTHER LABOR INCOME												
Idaho (Millions)	5,866	5,924	5,918	5,953	6,006	5,980	6,044	6,067	6,158	6,202	6,235	6,256
% Ch	0.3%	4.0%	-0.4%	2.4%	3.6%	-1.7%	4.4%	1.5%	6.1%	2.9%	2.2%	1.3%
National (Billions)	1,015	1,032	1,044	1,056	1,060	1,070	1,074	1,084	1,096	1,103	1,110	1,116
% Ch	8.2%	6.7%	4.7%	4.5%	1.8%	3.7%	1.5%	3.8%	4.4%	2.7%	2.6%	2.1%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	7,604	8,254	7,977	8,189	8,683	9,383	9,318	9,379	9,592	9,833	9,933	10,003
% Ch	12.3%	38.8%	-12.8%	11.1%	26.4%	36.4%	-2.7%	2.6%	9.4%	10.4%	4.1%	2.9%
National (Billions)	1,793	1,934	1,875	1,914	2,024	2,160	2,159	2,188	2,246	2,286	2,310	2,331
% Ch	9.3%	35.4%	-11.7%	8.6%	24.9%	29.8%	-0.2%	5.5%	10.9%	7.4%	4.2%	3.7%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	4,178	4,182	4,167	4,144	4,128	4,103	4,143	4,157	4,211	4,245	4,265	4,298
% Ch	-1.2%	0.4%	-1.4%	-2.2%	-1.5%	-2.4%	4.0%	1.4%	5.3%	3.3%	1.9%	3.1%
National (Billions)	471	470	471	468	457	462	461	463	471	475	478	482
% Ch	5.0%	-0.5%	0.7%	-2.7%	-8.7%	3.6%	-0.6%	1.5%	7.4%	3.3%	2.6%	3.7%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	746	746	763	751	732	738	731	728	729	737	737	738
% Ch	28.3%	0.0%	9.4%	-6.1%	-9.7%	3.3%	-3.7%	-1.6%	0.6%	4.5%	0.2%	0.1%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

PERSONAL INCOME -- CURR \$\$

	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
WAGE AND SALARY PAYMENTS												
Idaho (Millions)	23,662	23,904	24,189	24,481	24,768	25,101	25,445	25,802	26,148	26,486	26,830	27,164
% Ch	4.2%	4.2%	4.8%	4.9%	4.8%	5.5%	5.6%	5.7%	5.5%	5.3%	5.3%	5.1%
National (Billions)	6,510	6,572	6,637	6,712	6,795	6,871	6,949	7,029	7,115	7,193	7,270	7,345
% Ch	4.4%	3.9%	4.0%	4.6%	5.0%	4.5%	4.7%	4.7%	5.0%	4.5%	4.3%	4.2%
FARM PROPRIETORS INCOME												
Idaho (Millions)	857	727	700	601	761	781	753	721	799	784	757	713
% Ch	-21.2%	-48.0%	-14.0%	-45.7%	156.2%	11.4%	-13.6%	-16.1%	50.6%	-7.1%	-13.0%	-21.6%
National (Billions)	57	49	47	42	40	41	40	39	37	37	36	34
% Ch	-25.0%	-43.0%	-14.6%	-39.2%	-13.0%	10.7%	-10.4%	-12.4%	-17.4%	-5.0%	-9.7%	-16.5%
NONFARM PROPRIETORS INCOME												
Idaho (Millions)	4,444	4,517	4,585	4,666	4,734	4,822	4,888	4,949	4,980	5,029	5,075	5,132
% Ch	7.6%	6.7%	6.2%	7.3%	5.9%	7.6%	5.6%	5.1%	2.6%	4.0%	3.7%	4.6%
National (Billions)	1,041	1,057	1,073	1,091	1,106	1,126	1,140	1,154	1,160	1,171	1,181	1,194
% Ch	7.2%	6.4%	5.9%	6.9%	5.6%	7.3%	5.3%	4.8%	2.4%	3.7%	3.5%	4.3%
DIVIDENDS, RENT & INTEREST												
Idaho (Millions)	9,711	9,711	9,747	9,802	9,859	9,959	10,110	10,282	10,484	10,667	10,825	10,995
% Ch	1.3%	0.0%	1.5%	2.3%	2.3%	4.1%	6.2%	7.0%	8.1%	7.1%	6.1%	6.5%
National (Billions)	2,209	2,209	2,216	2,231	2,245	2,267	2,302	2,340	2,388	2,430	2,466	2,505
% Ch	0.7%	-0.1%	1.4%	2.6%	2.7%	4.0%	6.2%	6.9%	8.4%	7.3%	6.1%	6.5%
OTHER LABOR INCOME												
Idaho (Millions)	6,292	6,337	6,404	6,470	6,550	6,644	6,718	6,810	6,881	6,976	7,072	7,171
% Ch	2.3%	2.9%	4.3%	4.2%	5.0%	5.9%	4.5%	5.6%	4.3%	5.6%	5.6%	5.7%
National (Billions)	1,126	1,136	1,148	1,161	1,177	1,192	1,205	1,221	1,234	1,251	1,267	1,284
% Ch	3.5%	3.6%	4.3%	4.7%	5.4%	5.4%	4.4%	5.3%	4.5%	5.5%	5.3%	5.5%
GOVT. TRANSFERS TO INDIV.												
Idaho (Millions)	10,082	10,161	10,206	10,273	10,353	10,423	10,513	10,610	10,670	10,771	10,870	10,973
% Ch	3.2%	3.2%	1.8%	2.6%	3.2%	2.7%	3.5%	3.7%	2.3%	3.8%	3.7%	3.8%
National (Billions)	2,347	2,363	2,370	2,383	2,399	2,413	2,431	2,451	2,463	2,483	2,504	2,525
% Ch	2.8%	2.7%	1.3%	2.1%	2.8%	2.3%	3.1%	3.3%	1.9%	3.4%	3.3%	3.5%
CONTRIB. FOR SOCIAL INSUR.												
Idaho (Millions)	4,375	4,404	4,429	4,471	4,561	4,600	4,648	4,700	4,797	4,854	4,896	4,958
% Ch	7.4%	2.6%	2.3%	3.9%	8.3%	3.5%	4.2%	4.6%	8.6%	4.8%	3.5%	5.1%
National (Billions)	493	497	500	505	515	520	525	531	542	547	550	556
% Ch	9.0%	3.6%	2.6%	3.8%	8.4%	3.6%	4.4%	4.6%	7.9%	3.8%	2.4%	4.1%
RESIDENCE ADJUSTMENT												
Idaho (Millions)	740	742	745	749	753	758	763	769	775	780	785	791
% Ch	1.1%	1.1%	1.9%	2.0%	1.9%	2.8%	2.9%	3.2%	2.9%	2.8%	2.9%	2.7%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

EMPLOYMENT

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	655,483	653,691	649,839	636,486	620,512	610,125	604,595	606,378	602,991	603,899	600,862	601,247
% Ch	-1.2%	-1.1%	-2.3%	-8.0%	-9.7%	-6.5%	-3.6%	1.2%	-2.2%	0.6%	-2.0%	0.3%
National (Thousands)	137,897	137,491	136,700	135,019	132,814	131,112	130,078	129,639	129,697	130,392	130,339	130,558
% Ch	0.1%	-1.2%	-2.3%	-4.8%	-6.4%	-5.0%	-3.1%	-1.3%	0.2%	2.2%	-0.2%	0.7%
GOODS PRODUCING SECTOR												
Idaho	117,441	114,601	111,079	105,674	96,957	92,091	90,701	89,907	88,192	87,725	86,561	86,135
% Ch	-9.3%	-9.3%	-11.7%	-18.1%	-29.1%	-18.6%	-5.9%	-3.5%	-7.4%	-2.1%	-5.2%	-2.0%
National (Thousands)	21,875	21,615	21,246	20,574	19,549	18,730	18,248	17,953	17,876	17,986	18,041	18,054
% Ch	-2.3%	-4.7%	-6.6%	-12.1%	-18.5%	-15.7%	-9.9%	-6.3%	-1.7%	2.5%	1.2%	0.3%
MANUFACTURING												
Idaho	66,540	65,661	64,298	61,846	58,029	55,671	54,970	54,685	54,132	54,061	54,006	53,949
% Ch	-2.5%	-5.2%	-8.0%	-14.4%	-22.5%	-15.3%	-4.9%	-2.1%	-4.0%	-0.5%	-0.4%	-0.4%
National (Thousands)	13,747	13,627	13,419	13,038	12,430	11,968	11,735	11,602	11,621	11,705	11,734	11,730
% Ch	-1.5%	-3.4%	-6.0%	-10.9%	-17.4%	-14.0%	-7.6%	-4.4%	0.6%	2.9%	1.0%	-0.1%
DURABLE MANUFACTURING												
Idaho	41,942	40,906	39,744	37,431	34,214	32,042	31,404	31,139	30,910	30,982	30,963	30,847
% Ch	-7.4%	-9.5%	-10.9%	-21.3%	-30.2%	-23.1%	-7.7%	-3.3%	-2.9%	0.9%	-0.3%	-1.5%
National (Thousands)	8,726	8,640	8,492	8,212	7,753	7,382	7,203	7,099	7,124	7,198	7,237	7,236
% Ch	-1.8%	-3.9%	-6.7%	-12.6%	-20.5%	-17.8%	-9.4%	-5.7%	1.4%	4.2%	2.2%	0.0%
LOGGING & WOOD PRODUCTS												
Idaho	8,882	8,399	7,991	7,245	6,312	5,687	5,785	5,643	5,621	5,647	5,698	5,632
% Ch	-14.4%	-20.1%	-18.0%	-32.4%	-42.4%	-34.1%	7.1%	-9.4%	-1.6%	1.9%	3.6%	-4.5%
National (Thousands)	544	526	504	476	433	412	400	396	397	402	395	387
% Ch	-8.9%	-12.5%	-16.0%	-20.5%	-31.0%	-18.3%	-11.1%	-3.9%	0.5%	5.6%	-7.2%	-7.5%
METAL FABRICATION												
Idaho	4,763	4,729	4,649	4,560	4,426	4,360	4,352	4,362	4,325	4,394	4,377	4,435
% Ch	9.2%	-2.8%	-6.6%	-7.4%	-11.2%	-5.8%	-0.8%	1.0%	-3.3%	6.5%	-1.5%	5.3%
National (Thousands)	1,557	1,545	1,527	1,481	1,393	1,323	1,284	1,269	1,275	1,299	1,318	1,323
% Ch	-0.5%	-3.0%	-4.5%	-11.6%	-21.7%	-18.8%	-11.2%	-4.7%	1.9%	7.7%	6.1%	1.5%
MACHINERY												
Idaho	3,149	3,180	3,129	3,104	2,947	2,755	2,666	2,598	2,511	2,458	2,501	2,534
% Ch	13.9%	4.0%	-6.3%	-3.2%	-18.7%	-23.6%	-12.3%	-9.7%	-12.8%	-8.1%	7.1%	5.3%
National (Thousands)	1,190	1,201	1,194	1,163	1,104	1,040	1,002	978	980	996	1,000	1,003
% Ch	3.2%	3.8%	-2.2%	-9.9%	-18.8%	-21.5%	-13.8%	-9.3%	1.0%	6.4%	2.0%	0.9%
COMPUTER & ELECTRONICS												
Idaho	14,863	14,629	14,312	13,416	12,070	11,112	10,647	10,501	10,540	10,516	10,642	10,583
% Ch	-8.4%	-6.1%	-8.4%	-22.8%	-34.5%	-28.1%	-15.7%	-5.4%	1.5%	-0.9%	4.9%	-2.2%
National (Thousands)	1,255	1,252	1,244	1,224	1,187	1,145	1,115	1,098	1,092	1,096	1,102	1,106
% Ch	-0.9%	-1.0%	-2.4%	-6.3%	-11.6%	-13.4%	-10.2%	-6.0%	-1.9%	1.3%	2.3%	1.3%
OTHER DURABLES												
Idaho	10,285	9,969	9,662	9,105	8,459	8,128	7,955	8,035	7,914	7,966	7,745	7,664
% Ch	-12.1%	-11.7%	-11.7%	-21.2%	-25.5%	-14.7%	-8.3%	4.1%	-5.9%	2.7%	-10.6%	-4.1%
National (Thousands)	4,180	4,116	4,023	3,867	3,635	3,463	3,402	3,358	3,380	3,406	3,422	3,418
% Ch	-3.0%	-6.0%	-8.8%	-14.6%	-22.0%	-17.6%	-6.8%	-5.1%	2.6%	3.1%	1.9%	-0.5%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011

EMPLOYMENT

	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TOTAL NONFARM EMPLOYMENT												
Idaho	603,327	606,354	610,159	614,048	618,002	622,469	627,070	632,021	636,360	640,501	644,572	648,244
% Ch	1.4%	2.0%	2.5%	2.6%	2.6%	2.9%	3.0%	3.2%	2.8%	2.6%	2.6%	2.3%
National (Thousands)	130,850	131,281	131,728	132,344	132,970	133,648	134,324	134,982	135,553	136,130	136,778	137,369
% Ch	0.9%	1.3%	1.4%	1.9%	1.9%	2.1%	2.0%	2.0%	1.7%	1.7%	1.9%	1.7%
GOODS PRODUCING SECTOR												
Idaho	85,927	86,256	87,146	87,962	88,983	90,341	91,590	92,815	93,931	94,817	95,663	96,235
% Ch	-1.0%	1.5%	4.2%	3.8%	4.7%	6.2%	5.6%	5.5%	4.9%	3.8%	3.6%	2.4%
National (Thousands)	18,039	18,057	18,143	18,214	18,289	18,468	18,637	18,848	19,081	19,309	19,493	19,675
% Ch	-0.3%	0.4%	1.9%	1.6%	1.7%	4.0%	3.7%	4.6%	5.1%	4.9%	3.9%	3.8%
MANUFACTURING												
Idaho	54,004	54,437	55,201	55,755	56,519	57,438	58,165	58,750	59,286	59,744	60,052	60,298
% Ch	0.4%	3.2%	5.7%	4.1%	5.6%	6.7%	5.2%	4.1%	3.7%	3.1%	2.1%	1.6%
National (Thousands)	11,767	11,825	11,930	12,008	12,061	12,157	12,230	12,315	12,418	12,520	12,583	12,646
% Ch	1.3%	2.0%	3.6%	2.6%	1.8%	3.2%	2.4%	2.8%	3.4%	3.3%	2.0%	2.0%
DURABLE MANUFACTURING												
Idaho	30,825	31,196	31,904	32,393	33,026	33,783	34,348	34,794	35,180	35,502	35,694	35,845
% Ch	-0.3%	4.9%	9.4%	6.3%	8.0%	9.5%	6.9%	5.3%	4.5%	3.7%	2.2%	1.7%
National (Thousands)	7,260	7,312	7,409	7,483	7,526	7,610	7,671	7,756	7,863	7,968	8,035	8,106
% Ch	1.3%	2.9%	5.4%	4.0%	2.3%	4.6%	3.2%	4.5%	5.6%	5.5%	3.4%	3.6%
LOGGING & WOOD PRODUCTS												
Idaho	5,583	5,712	5,968	6,278	6,666	7,153	7,627	8,040	8,354	8,522	8,610	8,669
% Ch	-3.4%	9.6%	19.1%	22.5%	27.1%	32.6%	29.3%	23.4%	16.6%	8.3%	4.2%	2.8%
National (Thousands)	384	397	413	432	454	482	510	536	556	569	577	583
% Ch	-3.4%	14.6%	17.8%	19.7%	21.7%	26.9%	25.2%	22.5%	15.0%	9.7%	5.8%	4.6%
METAL FABRICATION												
Idaho	4,468	4,506	4,549	4,597	4,650	4,707	4,768	4,838	4,913	4,987	5,059	5,131
% Ch	3.1%	3.4%	3.9%	4.3%	4.7%	5.0%	5.3%	5.9%	6.4%	6.2%	5.9%	5.8%
National (Thousands)	1,316	1,307	1,312	1,313	1,308	1,315	1,324	1,343	1,367	1,391	1,414	1,439
% Ch	-2.0%	-3.0%	1.6%	0.5%	-1.6%	2.1%	2.7%	5.9%	7.3%	7.2%	6.9%	7.4%
MACHINERY												
Idaho	2,570	2,602	2,618	2,632	2,644	2,655	2,664	2,672	2,670	2,666	2,662	2,658
% Ch	6.0%	5.1%	2.5%	2.2%	1.8%	1.5%	1.4%	1.2%	-0.4%	-0.5%	-0.6%	-0.6%
National (Thousands)	1,006	1,020	1,041	1,047	1,050	1,057	1,061	1,067	1,074	1,081	1,085	1,090
% Ch	1.4%	5.5%	8.7%	2.3%	1.0%	2.8%	1.6%	2.3%	2.5%	2.5%	1.5%	2.0%
COMPUTER & ELECTRONICS												
Idaho	10,552	10,677	10,998	11,009	11,079	11,188	11,121	10,995	10,917	10,929	10,899	10,866
% Ch	-1.2%	4.9%	12.6%	0.4%	2.6%	4.0%	-2.4%	-4.4%	-2.8%	0.4%	-1.1%	-1.2%
National (Thousands)	1,124	1,143	1,172	1,193	1,193	1,191	1,175	1,166	1,180	1,202	1,205	1,208
% Ch	6.8%	7.0%	10.6%	7.2%	-0.1%	-0.4%	-5.3%	-3.2%	4.9%	7.8%	1.0%	1.1%
OTHER DURABLES												
Idaho	7,651	7,698	7,771	7,877	7,986	8,080	8,168	8,250	8,326	8,398	8,464	8,522
% Ch	-0.7%	2.5%	3.9%	5.6%	5.6%	4.8%	4.5%	4.1%	3.8%	3.5%	3.2%	2.8%
National (Thousands)	3,430	3,446	3,470	3,497	3,521	3,565	3,601	3,644	3,687	3,726	3,755	3,785
% Ch	1.4%	1.8%	2.8%	3.1%	2.8%	5.0%	4.1%	4.9%	4.8%	4.4%	3.1%	3.3%

IDAHO ECONOMIC FORECAST
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MANUFACTURING (continued)

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	24,598	24,755	24,555	24,415	23,815	23,628	23,567	23,546	23,222	23,078	23,044	23,102
% Ch	6.6%	2.6%	-3.2%	-2.3%	-9.5%	-3.1%	-1.0%	-0.3%	-5.4%	-2.4%	-0.6%	1.0%
National (Thousands)	5,021	4,987	4,926	4,827	4,677	4,586	4,532	4,503	4,497	4,507	4,497	4,494
% Ch	-1.0%	-2.7%	-4.8%	-7.9%	-11.9%	-7.5%	-4.7%	-2.5%	-0.6%	0.9%	-0.9%	-0.3%
FOOD PROCESSING												
Idaho	15,739	15,952	15,820	15,820	15,586	15,661	15,628	15,783	15,526	15,346	15,331	15,376
% Ch	10.9%	5.5%	-3.3%	0.0%	-5.8%	1.9%	-0.8%	4.0%	-6.4%	-4.6%	-0.4%	1.2%
National (Thousands)	1,490	1,482	1,475	1,475	1,456	1,461	1,462	1,458	1,454	1,461	1,459	1,458
% Ch	1.1%	-2.1%	-1.6%	-0.3%	-5.0%	1.4%	0.5%	-1.1%	-1.2%	1.9%	-0.6%	-0.2%
PRINTING												
Idaho	1,873	1,834	1,797	1,729	1,572	1,432	1,396	1,336	1,304	1,263	1,262	1,263
% Ch	3.2%	-8.1%	-7.7%	-14.3%	-31.8%	-31.1%	-9.6%	-16.1%	-9.1%	-12.0%	-0.3%	0.1%
National (Thousands)	610	601	590	573	549	529	514	503	499	497	492	488
% Ch	-3.5%	-5.7%	-7.2%	-11.0%	-15.7%	-14.0%	-10.9%	-8.2%	-3.6%	-1.5%	-3.4%	-3.2%
CHEMICALS												
Idaho	2,354	2,365	2,404	2,343	2,321	2,298	2,239	2,241	2,221	2,200	2,272	2,267
% Ch	3.7%	2.0%	6.6%	-9.8%	-3.7%	-3.8%	-10.0%	0.4%	-3.6%	-3.7%	13.9%	-0.9%
National (Thousands)	855	853	845	834	819	805	794	792	785	781	778	778
% Ch	-1.0%	-1.1%	-3.7%	-4.9%	-7.0%	-6.6%	-5.6%	-0.9%	-3.4%	-2.2%	-1.4%	-0.4%
OTHER NONDURABLES												
Idaho	4,633	4,604	4,534	4,523	4,337	4,237	4,304	4,186	4,171	4,270	4,178	4,196
% Ch	-3.9%	-2.5%	-6.0%	-0.9%	-15.5%	-8.9%	6.5%	-10.5%	-1.5%	9.8%	-8.3%	1.7%
National (Thousands)	2,066	2,052	2,016	1,945	1,852	1,791	1,761	1,750	1,759	1,768	1,767	1,770
% Ch	-1.8%	-2.8%	-6.8%	-13.4%	-17.7%	-12.6%	-6.4%	-2.6%	2.2%	2.1%	-0.2%	0.5%
MINING												
Idaho	2,796	2,615	2,630	2,364	2,272	2,104	2,086	2,229	2,159	2,271	2,275	2,334
% Ch	-3.3%	-23.4%	2.3%	-34.8%	-14.6%	-26.4%	-3.5%	30.4%	-12.0%	22.5%	0.7%	10.7%
National (Thousands)	691	705	722	719	693	652	631	626	645	670	693	708
% Ch	9.3%	8.4%	10.5%	-1.9%	-13.8%	-21.3%	-12.8%	-2.7%	12.5%	16.2%	14.9%	8.9%
CONSTRUCTION												
Idaho	48,105	46,325	44,151	41,464	36,656	34,316	33,644	32,993	31,901	31,393	30,279	29,852
% Ch	-18.0%	-14.0%	-17.5%	-22.2%	-38.9%	-23.2%	-7.6%	-7.5%	-12.6%	-6.2%	-13.5%	-5.5%
National (Thousands)	7,437	7,283	7,105	6,817	6,426	6,109	5,883	5,725	5,611	5,612	5,614	5,615
% Ch	-4.7%	-8.0%	-9.4%	-15.3%	-21.0%	-18.3%	-14.0%	-10.3%	-7.7%	0.0%	0.2%	0.1%
NONGOODS PRODUCING												
Idaho	538,042	539,090	538,760	530,812	523,555	518,035	513,894	516,471	514,800	516,174	514,301	515,112
% Ch	0.6%	0.8%	-0.2%	-5.8%	-5.4%	-4.2%	-3.2%	2.0%	-1.3%	1.1%	-1.4%	0.6%
National (Thousands)	116,022	115,876	115,454	114,445	113,265	112,382	111,830	111,686	111,821	112,405	112,298	112,504
% Ch	0.6%	-0.5%	-1.5%	-3.4%	-4.1%	-3.1%	-2.0%	-0.5%	0.5%	2.1%	-0.4%	0.7%
SERVICES												
Idaho	307,522	309,202	308,578	302,943	299,527	294,732	293,661	296,258	295,182	294,555	295,099	296,636
% Ch	0.1%	2.2%	-0.8%	-7.1%	-4.4%	-6.3%	-1.4%	3.6%	-1.4%	-0.8%	0.7%	2.1%
National (Thousands)	72,052	72,022	71,725	71,076	70,262	69,561	69,270	69,249	69,357	69,631	69,863	70,166
% Ch	0.6%	-0.2%	-1.6%	-3.6%	-4.5%	-3.9%	-1.7%	-0.1%	0.6%	1.6%	1.3%	1.7%
INFORMATION												
Idaho	11,233	11,032	11,203	10,642	10,475	10,074	9,815	9,847	9,826	9,711	9,676	9,661
% Ch	6.6%	-6.9%	6.3%	-18.6%	-6.1%	-14.5%	-9.9%	1.3%	-0.8%	-4.6%	-1.4%	-0.6%
National (Thousands)	3,020	3,007	2,977	2,932	2,874	2,815	2,779	2,761	2,737	2,721	2,719	2,713
% Ch	-0.7%	-1.7%	-3.9%	-5.9%	-7.7%	-7.9%	-5.0%	-2.6%	-3.4%	-2.4%	-0.3%	-0.9%
FINANCIAL ACTIVITIES												
Idaho	32,041	31,876	31,603	31,089	30,350	29,704	29,142	29,288	29,132	28,835	28,774	28,770
% Ch	-4.2%	-2.1%	-3.4%	-6.3%	-9.2%	-8.3%	-7.3%	2.0%	-2.1%	-4.0%	-0.8%	-0.1%
National (Thousands)	8,211	8,190	8,138	8,034	7,897	7,773	7,699	7,662	7,624	7,601	7,578	7,582
% Ch	-1.4%	-1.0%	-2.5%	-5.0%	-6.6%	-6.1%	-3.8%	-1.9%	-2.0%	-1.2%	-1.2%	0.2%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011
EMPLOYMENT

MANUFACTURING (continued)

	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
NONDURABLE MANUFACTURING												
Idaho	23,179	23,241	23,297	23,362	23,493	23,655	23,817	23,956	24,106	24,242	24,359	24,453
% Ch	1.4%	1.1%	1.0%	1.1%	2.3%	2.8%	2.8%	2.4%	2.5%	2.3%	1.9%	1.6%
National (Thousands)	4,507	4,513	4,521	4,525	4,535	4,547	4,559	4,558	4,555	4,552	4,548	4,540
% Ch	1.1%	0.6%	0.7%	0.3%	0.9%	1.0%	1.0%	0.0%	-0.3%	-0.3%	-0.4%	-0.7%
FOOD PROCESSING												
Idaho	15,447	15,517	15,567	15,612	15,727	15,869	16,011	16,134	16,269	16,394	16,502	16,589
% Ch	1.9%	1.8%	1.3%	1.2%	3.0%	3.7%	3.6%	3.1%	3.4%	3.1%	2.7%	2.1%
National (Thousands)	1,466	1,474	1,484	1,495	1,509	1,523	1,536	1,541	1,544	1,548	1,552	1,554
% Ch	2.2%	2.3%	2.6%	3.0%	3.7%	3.8%	3.5%	1.4%	0.7%	1.1%	1.0%	0.5%
PRINTING												
Idaho	1,260	1,246	1,237	1,230	1,222	1,217	1,215	1,212	1,208	1,204	1,198	1,192
% Ch	-1.0%	-4.2%	-3.0%	-2.1%	-2.8%	-1.3%	-0.8%	-1.0%	-1.2%	-1.4%	-1.8%	-2.1%
National (Thousands)	486	484	483	480	477	475	472	469	466	463	460	456
% Ch	-1.6%	-2.0%	-1.1%	-2.4%	-2.4%	-2.0%	-1.9%	-2.6%	-2.6%	-2.6%	-2.7%	-3.1%
CHEMICALS												
Idaho	2,256	2,238	2,229	2,229	2,227	2,222	2,215	2,207	2,199	2,190	2,181	2,173
% Ch	-2.0%	-3.1%	-1.5%	0.0%	-0.4%	-0.8%	-1.2%	-1.4%	-1.5%	-1.6%	-1.6%	-1.6%
National (Thousands)	782	782	782	779	777	776	777	777	778	778	779	780
% Ch	2.2%	0.2%	-0.3%	-1.4%	-0.9%	-0.6%	0.4%	0.1%	0.5%	0.2%	0.2%	0.6%
OTHER NONDURABLES												
Idaho	4,217	4,239	4,264	4,290	4,318	4,346	4,375	4,403	4,430	4,454	4,477	4,499
% Ch	2.0%	2.1%	2.3%	2.5%	2.6%	2.7%	2.6%	2.6%	2.5%	2.2%	2.1%	2.0%
National (Thousands)	1,772	1,773	1,773	1,771	1,773	1,774	1,774	1,771	1,767	1,763	1,757	1,750
% Ch	0.6%	0.2%	0.0%	-0.3%	0.3%	0.3%	0.0%	-0.6%	-0.9%	-1.0%	-1.2%	-1.7%
MINING												
Idaho	2,356	2,393	2,406	2,407	2,418	2,430	2,456	2,483	2,519	2,557	2,597	2,637
% Ch	3.8%	6.5%	2.2%	0.2%	1.7%	2.1%	4.3%	4.6%	5.9%	6.1%	6.5%	6.3%
National (Thousands)	707	690	679	672	666	663	664	664	664	662	659	655
% Ch	-0.6%	-9.2%	-6.5%	-4.1%	-3.1%	-1.7%	0.1%	0.6%	-0.2%	-1.2%	-1.8%	-2.6%
CONSTRUCTION												
Idaho	29,567	29,426	29,538	29,800	30,046	30,473	30,970	31,582	32,126	32,516	33,014	33,299
% Ch	-3.8%	-1.9%	1.5%	3.6%	3.4%	5.8%	6.7%	8.1%	7.1%	4.9%	6.3%	3.5%
National (Thousands)	5,565	5,542	5,534	5,534	5,562	5,647	5,744	5,868	5,999	6,126	6,251	6,374
% Ch	-3.6%	-1.6%	-0.6%	0.0%	2.0%	6.3%	7.0%	8.9%	9.2%	8.8%	8.4%	8.1%
NONGOODS PRODUCING												
Idaho	517,399	520,098	523,014	526,086	529,019	532,128	535,479	539,206	542,429	545,684	548,909	552,009
% Ch	1.8%	2.1%	2.3%	2.4%	2.2%	2.4%	2.5%	2.8%	2.4%	2.4%	2.4%	2.3%
National (Thousands)	112,811	113,224	113,586	114,130	114,681	115,180	115,686	116,134	116,472	116,821	117,285	117,694
% Ch	1.1%	1.5%	1.3%	1.9%	1.9%	1.8%	1.8%	1.6%	1.2%	1.2%	1.6%	1.4%
SERVICES												
Idaho	298,781	301,150	303,425	305,724	307,969	310,422	313,089	315,994	318,360	320,730	323,076	325,369
% Ch	2.9%	3.2%	3.1%	3.1%	3.0%	3.2%	3.5%	3.8%	3.0%	3.0%	3.0%	2.9%
National (Thousands)	70,487	70,985	71,392	71,802	72,215	72,553	72,900	73,195	73,400	73,615	73,935	74,229
% Ch	1.8%	2.9%	2.3%	2.3%	2.3%	1.9%	1.9%	1.6%	1.1%	1.2%	1.7%	1.6%
INFORMATION												
Idaho	9,656	9,669	9,712	9,779	9,845	9,911	9,977	10,043	10,114	10,186	10,259	10,332
% Ch	-0.2%	0.5%	1.8%	2.8%	2.7%	2.7%	2.7%	2.7%	2.9%	2.9%	2.9%	2.9%
National (Thousands)	2,713	2,726	2,745	2,767	2,801	2,807	2,812	2,827	2,850	2,862	2,871	2,874
% Ch	0.1%	1.8%	2.8%	3.3%	5.0%	0.9%	0.6%	2.2%	3.3%	1.7%	1.2%	0.4%
FINANCIAL ACTIVITIES												
Idaho	28,860	29,107	29,282	29,368	29,535	29,827	30,082	30,415	30,446	30,518	30,577	30,622
% Ch	1.3%	3.5%	2.4%	1.2%	2.3%	4.0%	3.5%	4.5%	0.4%	0.9%	0.8%	0.6%
National (Thousands)	7,626	7,698	7,720	7,741	7,793	7,831	7,876	7,884	7,862	7,834	7,842	7,856
% Ch	2.4%	3.8%	1.1%	1.1%	2.7%	2.0%	2.3%	0.4%	-1.1%	-1.4%	0.4%	0.7%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

EMPLOYMENT

SERVICES (Continued)												
	Q1	2008 Q2	Q3	Q4	Q1	2009 Q2	Q3	Q4	Q1	2010 Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	20,908	21,053	21,218	20,915	20,392	19,895	19,762	20,016	20,559	20,446	20,395	20,491
% Ch	-4.7%	2.8%	3.2%	-5.6%	-9.6%	-9.4%	-2.7%	5.2%	11.3%	-2.2%	-1.0%	1.9%
National (Thousands)	5,106	5,101	5,065	4,990	4,895	4,801	4,752	4,731	4,699	4,720	4,745	4,753
% Ch	-0.2%	-0.4%	-2.7%	-5.8%	-7.4%	-7.5%	-4.1%	-1.7%	-2.7%	1.8%	2.1%	0.7%
PROFESSIONAL & BUSINESS												
Idaho	81,889	82,435	81,612	79,040	77,416	74,489	74,236	75,765	74,330	73,072	72,500	72,967
% Ch	-6.8%	2.7%	-3.9%	-12.0%	-8.0%	-14.3%	-1.4%	8.5%	-7.4%	-6.6%	-3.1%	2.6%
National (Thousands)	18,004	17,895	17,690	17,351	16,928	16,558	16,375	16,438	16,549	16,666	16,724	16,829
% Ch	-0.3%	-2.4%	-4.5%	-7.4%	-9.4%	-8.5%	-4.3%	1.5%	2.7%	2.9%	1.4%	2.6%
EDUCATION & HEALTH												
Idaho	76,939	77,576	77,834	78,650	79,751	80,727	81,157	82,316	82,596	83,700	84,959	85,500
% Ch	7.2%	3.4%	1.3%	4.3%	5.7%	5.0%	2.1%	5.8%	1.4%	5.5%	6.2%	2.6%
National (Thousands)	18,646	18,796	18,921	18,996	19,083	19,134	19,218	19,315	19,406	19,504	19,593	19,705
% Ch	2.7%	3.3%	2.7%	1.6%	1.9%	1.1%	1.8%	2.0%	1.9%	2.0%	1.8%	2.3%
LEISURE & HOSPITALITY												
Idaho	64,085	63,859	63,529	61,358	59,564	58,661	58,493	57,990	57,334	57,686	57,755	58,107
% Ch	0.0%	-1.4%	-2.1%	-13.0%	-11.2%	-5.9%	-1.1%	-3.4%	-4.5%	2.5%	0.5%	2.5%
National (Thousands)	13,534	13,500	13,420	13,294	13,176	13,111	13,094	13,020	13,026	13,085	13,140	13,183
% Ch	0.4%	-1.0%	-2.4%	-3.7%	-3.5%	-2.0%	-0.5%	-2.3%	0.2%	1.8%	1.7%	1.3%
OTHER SERVICES												
Idaho	20,427	21,370	21,579	21,249	21,579	21,182	21,055	21,036	21,406	21,105	21,040	21,140
% Ch	13.8%	19.8%	4.0%	-6.0%	6.4%	-7.2%	-2.4%	-0.4%	7.2%	-5.5%	-1.2%	1.9%
National (Thousands)	5,531	5,534	5,514	5,479	5,408	5,369	5,353	5,321	5,316	5,333	5,364	5,401
% Ch	1.8%	0.2%	-1.4%	-2.5%	-5.1%	-2.9%	-1.2%	-2.4%	-0.4%	1.3%	2.3%	2.8%
TRADE												
Idaho	112,209	111,269	110,355	107,976	104,497	102,730	101,719	100,821	101,106	101,374	100,724	101,138
% Ch	0.2%	-3.3%	-3.2%	-8.3%	-12.3%	-6.6%	-3.9%	-3.5%	1.1%	1.1%	-2.5%	1.7%
National (Thousands)	21,560	21,376	21,164	20,806	20,431	20,196	20,054	19,936	19,984	20,021	20,040	20,103
% Ch	-0.5%	-3.4%	-3.9%	-6.6%	-7.0%	-4.5%	-2.8%	-2.3%	1.0%	0.8%	0.4%	1.3%
RETAIL TRADE												
Idaho	84,126	83,356	82,448	80,523	77,820	76,630	75,940	75,170	75,305	75,365	74,862	75,196
% Ch	0.9%	-3.6%	-4.3%	-9.0%	-12.8%	-6.0%	-3.6%	-4.0%	0.7%	0.3%	-2.6%	1.8%
National (Thousands)	15,537	15,394	15,235	14,969	14,717	14,569	14,466	14,367	14,421	14,444	14,451	14,500
% Ch	-0.2%	-3.6%	-4.1%	-6.8%	-6.6%	-3.9%	-2.8%	-2.7%	1.5%	0.6%	0.2%	1.4%
WHOLESALE TRADE												
Idaho	28,083	27,913	27,907	27,453	26,677	26,100	25,778	25,651	25,802	26,009	25,862	25,942
% Ch	-1.8%	-2.4%	-0.1%	-6.4%	-10.8%	-8.4%	-4.8%	-2.0%	2.4%	3.3%	-2.2%	1.2%
National (Thousands)	6,023	5,982	5,929	5,838	5,714	5,627	5,588	5,569	5,562	5,577	5,590	5,603
% Ch	-1.1%	-2.7%	-3.5%	-6.0%	-8.2%	-6.0%	-2.7%	-1.4%	-0.5%	1.1%	0.9%	1.0%
STATE & LOCAL GOVERNMENT												
Idaho	105,110	105,386	106,724	106,636	106,197	106,749	105,151	105,958	105,008	105,827	104,798	103,865
% Ch	1.4%	1.1%	5.2%	-0.3%	-1.6%	2.1%	-5.9%	3.1%	-3.5%	3.2%	-3.8%	-3.5%
National (Thousands)	19,666	19,719	19,799	19,787	19,775	19,760	19,689	19,671	19,605	19,568	19,464	19,395
% Ch	1.5%	1.1%	1.6%	-0.2%	-0.2%	-0.3%	-1.4%	-0.4%	-1.3%	-0.8%	-2.1%	-1.4%
EDUCATION												
Idaho	53,343	53,100	53,882	54,031	54,590	55,327	53,845	54,801	53,901	54,880	55,038	54,523
% Ch	-1.1%	-1.8%	6.0%	1.1%	4.2%	5.5%	-10.3%	7.3%	-6.4%	7.5%	1.2%	-3.7%
NONEDUCATION												
Idaho	51,767	52,286	52,842	52,605	51,607	51,423	51,305	51,156	51,108	50,946	49,759	49,341
% Ch	4.0%	4.1%	4.3%	-1.8%	-7.4%	-1.4%	-0.9%	-1.2%	-0.4%	-1.3%	-9.0%	-3.3%
FEDERAL GOVERNMENT												
Idaho	13,201	13,234	13,103	13,258	13,334	13,824	13,364	13,435	13,503	14,418	13,681	13,474
% Ch	11.1%	1.0%	-3.9%	4.8%	2.3%	15.5%	-12.6%	2.1%	2.0%	30.0%	-18.9%	-5.9%
National (Thousands)	2,745	2,759	2,766	2,776	2,797	2,865	2,816	2,831	2,876	3,186	2,931	2,841
% Ch	0.2%	2.1%	1.0%	1.4%	3.1%	10.0%	-6.6%	2.1%	6.5%	50.6%	-28.3%	-11.7%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011

EMPLOYMENT

SERVICES (Continued)	2011				2012				2013			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
TRANS., WAREHOUSING, UTILITIES												
Idaho	20,590	20,778	21,004	21,245	21,471	21,665	21,839	22,020	22,222	22,374	22,524	22,668
% Ch	1.9%	3.7%	4.4%	4.7%	4.3%	3.7%	3.2%	3.3%	3.7%	2.8%	2.7%	2.6%
National (Thousands)	4,762	4,822	4,890	4,953	5,021	5,078	5,131	5,174	5,217	5,253	5,297	5,334
% Ch	0.8%	5.2%	5.7%	5.3%	5.6%	4.6%	4.2%	3.4%	3.4%	2.8%	3.3%	2.8%
PROFESSIONAL & BUSINESS												
Idaho	73,928	74,787	75,573	76,365	76,953	77,665	78,526	79,461	80,432	81,411	82,382	83,352
% Ch	5.4%	4.7%	4.3%	4.3%	3.1%	3.7%	4.5%	4.8%	5.0%	5.0%	4.9%	4.8%
National (Thousands)	16,967	17,201	17,397	17,585	17,718	17,898	18,105	18,274	18,407	18,558	18,748	18,948
% Ch	3.3%	5.6%	4.6%	4.4%	3.1%	4.1%	4.7%	3.8%	2.9%	3.3%	4.2%	4.3%
EDUCATION & HEALTH												
Idaho	86,080	86,704	87,336	88,068	88,842	89,675	90,579	91,484	92,174	92,878	93,582	94,281
% Ch	2.7%	2.9%	2.9%	3.4%	3.6%	3.8%	4.1%	4.1%	3.1%	3.1%	3.1%	3.0%
National (Thousands)	19,788	19,892	20,009	20,120	20,190	20,253	20,274	20,304	20,296	20,358	20,417	20,453
% Ch	1.7%	2.1%	2.4%	2.2%	1.4%	1.2%	0.4%	0.6%	-0.2%	1.2%	1.2%	0.7%
LEISURE & HOSPITALITY												
Idaho	58,412	58,758	59,067	59,336	59,667	59,922	60,214	60,563	60,913	61,255	61,596	61,919
% Ch	2.1%	2.4%	2.1%	1.8%	2.3%	1.7%	2.0%	2.3%	2.3%	2.3%	2.2%	2.1%
National (Thousands)	13,197	13,205	13,184	13,176	13,232	13,252	13,271	13,300	13,331	13,326	13,331	13,336
% Ch	0.4%	0.2%	-0.6%	-0.2%	1.7%	0.6%	0.6%	0.9%	0.9%	-0.1%	0.2%	0.2%
OTHER SERVICES												
Idaho	21,254	21,347	21,451	21,563	21,656	21,758	21,873	22,010	22,059	22,108	22,156	22,195
% Ch	2.2%	1.8%	2.0%	2.1%	1.7%	1.9%	2.1%	2.5%	0.9%	0.9%	0.9%	0.7%
National (Thousands)	5,433	5,440	5,448	5,460	5,459	5,433	5,431	5,431	5,437	5,424	5,430	5,428
% Ch	2.3%	0.6%	0.5%	0.9%	-0.1%	-1.8%	-0.2%	0.0%	0.5%	-0.9%	0.4%	-0.2%
TRADE												
Idaho	101,673	102,204	102,839	103,541	104,129	104,661	105,219	105,912	106,701	107,490	108,269	108,980
% Ch	2.1%	2.1%	2.5%	2.8%	2.3%	2.1%	2.2%	2.7%	3.0%	3.0%	2.9%	2.7%
National (Thousands)	20,111	20,055	20,070	20,196	20,321	20,452	20,558	20,652	20,725	20,792	20,876	20,930
% Ch	0.2%	-1.1%	0.3%	2.5%	2.5%	2.6%	2.1%	1.9%	1.4%	1.3%	1.6%	1.0%
RETAIL TRADE												
Idaho	75,625	75,980	76,416	76,905	77,327	77,730	78,177	78,728	79,353	79,980	80,598	81,162
% Ch	2.3%	1.9%	2.3%	2.6%	2.2%	2.1%	2.3%	2.8%	3.2%	3.2%	3.1%	2.8%
National (Thousands)	14,512	14,404	14,354	14,415	14,483	14,566	14,630	14,690	14,733	14,774	14,820	14,846
% Ch	0.3%	-2.9%	-1.4%	1.7%	1.9%	2.3%	1.8%	1.7%	1.2%	1.1%	1.3%	0.7%
WHOLESALE TRADE												
Idaho	26,048	26,224	26,423	26,637	26,802	26,931	27,043	27,184	27,348	27,511	27,672	27,817
% Ch	1.7%	2.7%	3.1%	3.3%	2.5%	1.9%	1.7%	2.1%	2.4%	2.4%	2.4%	2.1%
National (Thousands)	5,599	5,651	5,716	5,781	5,838	5,887	5,928	5,962	5,992	6,019	6,055	6,085
% Ch	-0.3%	3.8%	4.6%	4.7%	4.0%	3.4%	2.8%	2.3%	2.0%	1.8%	2.5%	1.9%
STATE & LOCAL GOVERNMENT												
Idaho	103,569	103,382	103,408	103,478	103,567	103,684	103,796	103,917	103,979	104,070	104,166	104,260
% Ch	-1.1%	-0.7%	0.1%	0.3%	0.3%	0.4%	0.4%	0.5%	0.2%	0.3%	0.4%	0.4%
National (Thousands)	19,376	19,356	19,302	19,322	19,354	19,400	19,467	19,536	19,605	19,681	19,750	19,818
% Ch	-0.4%	-0.4%	-1.1%	0.4%	0.7%	1.0%	1.4%	1.4%	1.4%	1.6%	1.4%	1.4%
EDUCATION												
Idaho	54,505	54,491	54,635	54,768	54,926	55,116	55,298	55,492	55,608	55,729	55,849	55,953
% Ch	-0.1%	-0.1%	1.1%	1.0%	1.2%	1.4%	1.3%	1.4%	0.8%	0.9%	0.9%	0.7%
NONEDUCATION												
Idaho	49,065	48,890	48,773	48,711	48,641	48,567	48,498	48,425	48,371	48,341	48,317	48,307
% Ch	-2.2%	-1.4%	-1.0%	-0.5%	-0.6%	-0.6%	-0.6%	-0.6%	-0.4%	-0.3%	-0.2%	-0.1%
FEDERAL GOVERNMENT												
Idaho	13,376	13,362	13,342	13,343	13,353	13,362	13,375	13,383	13,389	13,394	13,398	13,400
% Ch	-2.9%	-0.4%	-0.6%	0.0%	0.3%	0.2%	0.4%	0.2%	0.2%	0.1%	0.1%	0.1%
National (Thousands)	2,837	2,828	2,822	2,811	2,792	2,774	2,762	2,751	2,742	2,733	2,724	2,717
% Ch	-0.5%	-1.4%	-0.8%	-1.6%	-2.6%	-2.6%	-1.7%	-1.5%	-1.3%	-1.3%	-1.3%	-1.1%

National Variables Forecast by IHS Global Insight
Forecast Begins the THIRD Quarter of 2010

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

MISCELLANEOUS

	2008				2009				2010			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	107.454	108.295	109.488	109.154	109.465	109.555	109.759	109.693	109.959	110.485	111.108	111.121
% Ch	1.9%	3.2%	4.5%	-1.2%	1.1%	0.3%	0.7%	-0.2%	1.0%	1.9%	2.3%	0.0%
Consumption Expenditures	107.954	109.185	110.367	108.736	108.290	108.810	109.598	110.333	110.901	110.888	111.166	111.742
% Ch	3.9%	4.6%	4.4%	-5.8%	-1.6%	1.9%	2.9%	2.7%	2.1%	0.0%	1.0%	2.1%
Durable Goods	95.981	95.503	95.345	94.532	94.028	94.046	93.450	93.603	93.121	92.755	92.234	91.877
% Ch	-0.7%	-2.0%	-0.7%	-3.4%	-2.1%	0.1%	-2.5%	0.7%	-2.0%	-1.6%	-2.2%	-1.5%
Nondurable Goods	111.196	113.427	116.433	108.882	106.676	108.097	110.624	111.651	112.949	111.638	112.325	114.038
% Ch	8.1%	8.3%	11.0%	-23.5%	-7.9%	5.4%	9.7%	3.8%	4.7%	-4.6%	2.5%	6.2%
Services	109.191	110.412	111.234	111.428	111.579	111.894	112.355	113.102	113.620	114.116	114.408	114.782
% Ch	3.3%	4.5%	3.0%	0.7%	0.5%	1.1%	1.7%	2.7%	1.8%	1.8%	1.0%	1.3%
Consumer Price Index	2.128	2.156	2.189	2.137	2.125	2.135	2.154	2.168	2.176	2.172	2.180	2.195
% Ch	4.7%	5.2%	6.4%	-9.2%	-2.2%	1.9%	3.7%	2.6%	1.5%	-0.7%	1.5%	2.7%
SELECTED INTEREST RATES												
Federal Funds	3.2%	2.1%	1.9%	0.5%	0.2%	0.2%	0.2%	0.1%	0.1%	0.2%	0.2%	0.2%
NY Fed Discount	3.7%	2.3%	2.3%	1.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.8%	0.8%	0.7%
Prime	6.2%	5.1%	5.0%	4.1%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%	3.3%
Existing Home Mortgage	6.0%	6.1%	6.4%	6.0%	5.2%	5.0%	5.3%	5.1%	5.1%	5.1%	4.8%	4.6%
U.S. Govt. 3-Month Bills	2.2%	1.6%	1.5%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.2%	0.1%
U.S. Govt. 6-Month Bills	2.2%	1.8%	1.8%	0.8%	0.4%	0.3%	0.3%	0.2%	0.2%	0.2%	0.2%	0.2%
U.S. Govt. 5-Year Notes	2.7%	3.2%	3.1%	2.2%	1.8%	2.2%	2.5%	2.3%	2.4%	2.3%	1.5%	1.2%
U.S. Govt. 10-Year Notes	3.7%	3.9%	3.9%	3.3%	2.7%	3.3%	3.5%	3.5%	3.7%	3.5%	2.8%	2.6%
SELECTED US PRODUCTION INDICES												
Wood Products	92.4	89.0	85.6	76.2	68.9	67.2	68.7	68.0	68.3	71.7	68.2	67.0
% Ch	-15.1%	-13.8%	-14.5%	-37.3%	-33.1%	-9.3%	9.1%	-4.0%	1.9%	21.2%	-18.0%	-6.9%
Computers & Electronic Products	110.3	112.9	111.0	103.2	96.6	98.0	102.1	105.0	108.6	113.8	116.0	117.9
% Ch	17.6%	9.9%	-6.6%	-25.3%	-23.2%	5.8%	18.1%	11.6%	14.6%	20.5%	8.1%	6.5%
Food	99.9	99.1	97.7	97.6	96.2	97.1	97.7	99.4	100.9	102.2	104.3	105.1
% Ch	1.2%	-3.2%	-5.6%	-0.2%	-5.7%	3.6%	2.7%	7.1%	6.3%	5.2%	8.7%	2.8%
Agricultural Chemicals	95.6	91.7	89.4	80.6	78.2	86.4	86.0	90.6	95.1	89.4	85.9	87.5
% Ch	-14.9%	-15.3%	-9.7%	-33.8%	-11.4%	49.0%	-2.0%	23.4%	21.7%	-21.9%	-14.8%	7.5%
Metal Ore Mining	101.6	103.4	107.3	102.4	95.9	87.2	88.2	87.9	95.4	93.7	98.6	100.4
% Ch	15.4%	7.6%	15.8%	-17.1%	-23.0%	-31.6%	4.4%	-1.3%	39.2%	-7.2%	22.6%	7.7%

**IDAHO ECONOMIC FORECAST
QUARTERLY DETAIL
JANUARY 2011**

MISCELLANEOUS

	Q1	2011 Q2	Q3	Q4	Q1	2012 Q2	Q3	Q4	Q1	2013 Q2	Q3	Q4
SELECTED CHAIN-WEIGHTED DEFL.												
Gross Domestic Product	111.660	111.936	112.250	112.620	113.112	113.475	113.903	114.367	114.908	115.346	115.797	116.301
% Ch	2.0%	1.0%	1.1%	1.3%	1.8%	1.3%	1.5%	1.6%	1.9%	1.5%	1.6%	1.8%
Consumption Expenditures	112.139	112.432	112.824	113.258	113.744	114.183	114.659	115.160	115.685	116.190	116.684	117.227
% Ch	1.4%	1.1%	1.4%	1.5%	1.7%	1.6%	1.7%	1.8%	1.8%	1.8%	1.7%	1.9%
Durable Goods	91.646	91.336	91.065	90.822	90.598	90.375	90.187	90.006	89.853	89.702	89.545	89.407
% Ch	-1.0%	-1.3%	-1.2%	-1.1%	-1.0%	-1.0%	-0.8%	-0.8%	-0.7%	-0.7%	-0.7%	-0.6%
Nondurable Goods	114.655	114.943	115.577	116.145	116.768	117.234	117.747	118.334	118.929	119.518	120.096	120.738
% Ch	2.2%	1.0%	2.2%	2.0%	2.2%	1.6%	1.8%	2.0%	2.0%	2.0%	1.9%	2.2%
Services	115.227	115.642	116.084	116.611	117.197	117.766	118.369	118.986	119.632	120.249	120.855	121.511
% Ch	1.6%	1.4%	1.5%	1.8%	2.0%	2.0%	2.1%	2.1%	2.2%	2.1%	2.0%	2.2%
Consumer Price Index	2.202	2.208	2.217	2.228	2.240	2.250	2.261	2.273	2.285	2.296	2.307	2.320
% Ch	1.4%	1.1%	1.7%	1.9%	2.1%	1.9%	2.0%	2.1%	2.1%	2.0%	1.9%	2.1%
SELECTED INTEREST RATES												
Federal Funds	0.1%	0.1%	0.1%	0.2%	0.3%	0.7%	1.6%	2.5%	3.2%	3.5%	3.5%	3.5%
NY Fed Discount	0.7%	0.7%	0.7%	0.7%	0.8%	1.2%	2.1%	3.0%	3.9%	4.2%	4.2%	4.2%
Prime	3.3%	3.2%	3.3%	3.3%	3.3%	3.7%	4.6%	5.5%	6.2%	6.5%	6.5%	6.5%
Existing Home Mortgage	4.5%	4.5%	4.5%	4.8%	5.0%	5.1%	5.2%	5.6%	6.1%	6.2%	6.2%	6.2%
U.S. Govt. 3-Month Bills	0.2%	0.2%	0.3%	0.4%	0.6%	0.8%	1.7%	2.6%	3.2%	3.4%	3.4%	3.5%
U.S. Govt. 6-Month Bills	0.2%	0.3%	0.4%	0.6%	0.8%	1.0%	1.8%	2.7%	3.3%	3.5%	3.5%	3.6%
U.S. Govt. 5-Year Notes	1.3%	1.4%	1.6%	1.9%	2.1%	2.3%	2.8%	3.6%	4.1%	4.3%	4.3%	4.3%
U.S. Govt. 10-Year Notes	2.5%	2.5%	2.6%	2.8%	3.1%	3.2%	3.5%	3.9%	4.5%	4.7%	4.7%	4.7%
SELECTED US PRODUCTION INDICES												
Wood Products	67.5	69.7	72.4	75.9	79.7	84.0	87.8	90.9	92.4	93.6	94.4	95.0
% Ch	2.9%	13.6%	16.6%	20.8%	21.5%	23.6%	19.5%	14.7%	6.9%	5.3%	3.4%	2.4%
Computers & Electronic Products	121.5	125.7	130.3	135.0	139.3	143.7	148.2	152.8	158.3	165.0	171.9	179.1
% Ch	12.8%	14.6%	15.4%	15.3%	13.5%	13.0%	13.2%	13.2%	15.1%	17.9%	17.9%	17.8%
Food	105.4	105.8	106.3	106.7	107.2	107.7	108.2	108.6	108.9	109.3	109.6	110.0
% Ch	1.4%	1.5%	1.7%	1.8%	1.7%	1.8%	1.8%	1.7%	1.2%	1.3%	1.3%	1.4%
Agricultural Chemicals	88.9	90.1	90.8	91.2	91.5	91.7	91.8	91.9	92.1	92.3	92.4	92.6
% Ch	6.6%	5.6%	3.2%	1.7%	1.2%	0.9%	0.6%	0.5%	0.7%	0.7%	0.8%	0.9%
Metal Ore Mining	101.5	102.1	102.8	103.6	104.3	105.2	105.8	106.4	106.8	107.0	107.1	106.9
% Ch	4.5%	2.4%	2.8%	3.1%	2.7%	3.5%	2.3%	2.3%	1.5%	0.8%	0.4%	-0.7%

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APPENDIX

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THE IHS GLOBAL INSIGHT U.S. MACROECONOMIC MODEL

IHS Global Insight's Macroeconomic Model is a multiple-equation model of the U.S. economy. Consisting of over 1,200 equations, the model is solved iteratively to generate the results of different policy and forecast scenarios. The model incorporates the best insights of many theoretical schools of thought to depict the economic decision processes and interactions of households, businesses, and governments.

The IHS Global Insight model is divided into the following eight major sectors:

- I Private Domestic Spending**
- II Production and Income**
- III Taxes**
- IV International Transactions**
- V Financial**
- VI Inflation**
- VII Supply**
- VIII Expectations**

- I. **Private Domestic Spending.** Major aggregate demand components include consumption, investment, and government. Consumer purchases are divided among three categories: durable goods, nondurable goods, and services. In nearly all cases, real expenditures are influenced by real income and the relative price of consumer goods. Durable and semidurable goods are also sensitive to household net worth, current finance costs, and consumer sentiment.

IHS Global Insight divides investment into two general categories: fixed investment and inventories. The former is driven by utilization rates, capital stock, relative prices, financial market conditions, financial balance sheet conditions, and government policies. Inventory investment is heavily influenced by such factors as past and present sales levels, vendor performance, and utilization rates.

The government sector is divided into federal government and state and local government. Most of the federal expenditure side is exogenous. Federal receipts are endogenous and divided into personal taxes, corporate taxes, indirect business taxes, and contributions for social insurance. State and local sector receipts depend primarily on federal grants and various tax rates and bases. State and local government spending is driven by legal requirements (i.e., balanced budgets), the level of federal grants (due to the matching requirements of many programs), population growth, and trend increases in personal income.

- II. **Production and Income.** The industrial production sector includes 74 standard industrial classifications. Production is a function of various cyclical and trend variables and a generated output term, i.e., the input-output (I-O) relationship between the producing industry and both intermediate industries and final demand. The cyclical and trend variables correct for changes in I-O coefficients that are implied by the changing relationship between buyers and sellers.

Pre-tax income categories include private and government wages, corporate profits, interest rate, and entrepreneurial returns. Each of these categories, except corporate profits, is determined by some combination of wages, prices, interest rates, debt levels, capacity utilization rate, and unemployment rate. Corporate profits are calculated as the residual of total national income less the nonprofit components of income mentioned above.

- III. **Taxes.** The model tracks personal, corporate, payroll, and excise taxes separately. Tax revenues are simultaneously forecast as the product of the rate and the associated pre-tax income components. The model automatically adjusts the effective average personal tax rate for variations in inflation and income per household, and the effective average corporate rate for credits earned on equipment, utility structures, and R&D. State taxes are fully endogenous, except for corporate profits and social insurance tax rates.
- IV. **International.** The international sector can either add or divert strength from the central flow of domestic income and spending. Imports' ability to capture varying shares of domestic demand depends on the prices of foreign output, the U.S. exchange rate, and competing domestic prices. Exports' portion of domestic spending depends on similar variables and the level of world gross domestic product. The exchange rate itself responds to international differences in inflation, interest rates, trade deficits, and capital flows between the U.S. and its competitors. Investment income flows are also explicitly modeled.
- V. **Financial.** The IHS Global Insight model includes a highly detailed financial sector. Several short- and long-term interest rates are covered in this model, and they are the key output of this sector. The short-term rates depend upon the balance between the demand and supply of reserves in the banking system. The supply of reserves is the primary exogenous monetary policy lever within the model, reflecting the Federal Reserve's open market purchases or sales of Treasury securities. Longer-term interest rates are driven by shorter-term rates as well as factors affecting the slope of the yield curve. These factors include inflation expectations, government borrowing requirements, and corporate finance needs.
- VI. **Inflation.** Inflation is modeled as a controlled, interactive process involving wages, prices, and market conditions. The principal domestic cost influences are labor compensation, nonfarm productivity, and foreign input costs that later are driven by the exchange rate, the price of oil, and foreign wholesale price inflation. This set of cost influences drives each of the industry-specific producer price indexes, in combination with a demand pressure indicator and appropriately weighted composites of the other producer price indexes.
- VII. **Supply.** In this model, aggregate supply (or potential GNP), is estimated by a Cobb-Douglas production function that combines factor input growth and improvements to total factor productivity. Factor input equals a weighted average of labor, business fixed capital, and energy. Factor supplies are defined by estimates of the full employment labor force, the full employment capital stock net of pollution abatement equipment, the domestic production of petroleum and natural gas, and the stock of infrastructure. Total factor productivity depends upon the stock of research and development capital and trend technological change.
- VIII. **Expectations.** Expectations impact several expenditure categories in the model, but the principal nuance relates to the entire spectrum of interest rates. Shifts in price expectations or the expected government capital needs influences are captured directly in this model through price expectations and budget deficit terms. The former impacts all interest rates and the latter impacts intermediate- and long-term rates. On the expenditure side, inflationary expectations impact consumption via consumer sentiment, while growth expectations affect business investment.

THE IDAHO ECONOMIC MODEL

The Idaho Economic Model (IEM) is an income and employment based model of Idaho's economy. The Model consists of a simultaneous system of linear regression equations, which are estimated using quarterly data. The primary exogenous variables are obtained from the IHS Global Insight U.S. Macroeconomic Model. Endogenous variables are forecast at the statewide level of aggregation.

The focal point of the IEM is Idaho personal income, which is given by the identity:

**personal income = wage and salary payments + other labor
income + farm proprietors' income + nonfarm proprietors'
income + property income + transfer payments - contributions
for social insurance + residence adjustment.**

With the exception of farm proprietors' income and wage and salary payments, each of the components of personal income is estimated stochastically by a single equation. Farm proprietors' income and wage and salary payments each comprise submodels containing a system of stochastic equations and identities.

The farm proprietor sector is estimated using a highly-aggregated submodel consisting of equations for crop marketing receipts, livestock marketing receipts, production expenses, inventory changes, imputed rent income, corporate farm income, and government payments to farmers. Farm proprietors' income includes inventory changes and imputed rent, but this component is netted out of the tax base.

At the heart of the IEM is the wage and salary sector, which includes stochastic employment equations for 23 North American Industry Classification System employment categories. Conceptually, the employment equations are divided into basic and domestic activities. The basic employment equations are specified primarily as functions of national demand and supply variables. Domestic employment equations are specified primarily as functions of state-specific demand variables. Average annual wages are estimated for several broad employment categories and are combined with employment to arrive at aggregate wage and salary payments.

The demographic component of the model is used to forecast components of population change and housing starts. Resident population, births, and deaths are modeled stochastically. Net migration is calculated residually from the estimates for those variables. Housing starts are divided into single and multiple units. Each equation is functionally related to economic and population variables.

The output of the IEM (i.e., the forecast values of the endogenous variables) is determined by the parameters of the equations and the values of exogenous variables over the forecast period. The values of equation parameters are determined by the historic values of both the exogenous and endogenous variables. IEM equation parameters are estimated using the technique of ordinary least squares. Model equations are occasionally respecified in response to the dynamic nature of the Idaho and national economies. Parameter values for a particular equation (given the same specification) may change as a result of revisions in the historic data or a change in the time interval of the estimation. In general, parameter values should remain relatively constant over time, with changes reflecting changing structural relationships.

While the equation parameters are determined by structural relationships and remain relatively fixed, the forecast period exogenous variable values are more volatile determinants of the forecast values of endogenous variables. They are more often subject to change as expectations regarding future economic

behavior change, and they are more likely to give rise to debate over appropriate values. As mentioned above, the forecast period values of exogenous variables are primarily obtained from IHS Global Insight's U.S. macroeconomic model.

Since the output of the IEM depends in large part upon the output of the IHS Global Insight model, an understanding of the IHS Global Insight model, its input assumptions, and its output is useful in evaluating the results of the IEM's forecast. The assumptions and output of the IHS Global Insight model are discussed in the National Forecast section.

IDAHO ECONOMIC MODEL

$$EEA_ID = EEA_ID_GOODS + EEA_ID_NONGOODS$$

$$EEA_ID_2100 = 2836.565 + 27.137*MOVAV(ID0IP2122_2123(-1),4) - 4284.878*(JECIWSP/WPI10) - 4.668*TREND$$

$$\begin{aligned} EEA_ID_2300 = & -18519.099 + 242.753*ID0HSPRS1_A + 208.074*ID0HSPRS1_A(-1) \\ & + 173.395*ID0HSPRS1_A(-2) + 138.716*ID0HSPRS1_A(-3) + 104.037*ID0HSPRS1_A(-4) \\ & + 69.358*ID0HSPRS1_A(-5) + 34.679*ID0HSPRS1_A(-6) + 0.159*EEA_ID_44_45 + 0.136*EEA_ID_44_45(-1) \\ & + 0.113*EEA_ID_44_45(-2) + 0.091*EEA_ID_44_45(-3) + 0.068*EEA_ID_44_45(-4) + 0.045*EEA_ID_44_45(-5) \\ & + 0.023*EEA_ID_44_45(-6) \end{aligned}$$

$$EEA_ID_3110 = 25639.960 + 60.085*MOVAV(IPSG3119(-1),8) - 246.488*MOVAV(IPSG311/EMN311),6)$$

$$EEA_ID_3230 = 1470.493 + 22.406*MOVAV(IPSG323,4) - 11.871*MOVAV((IPSG323/EMN323),8)$$

$$EEA_ID_3250 = 3339.948 + 8.131*MOVAV(IPSG3253(-1),4) - 1968.093*DUM951ON$$

$$EEA_ID_3320 = -1643.784 + 42.799*MOVAV(IPSG332,2) + 12.856*TREND$$

$$EEA_ID_3330 = 1598.046 + 16.184*MOVAV(IPSG3332,4) - 1.227*TREND$$

$$EEA_ID_3340 = 15275.327 + 266.678*MOVAV(IPSG334,4) - 363.179*(MOVAV(IPSG334,8) / MOVAV(EMD334,8))$$

$$EEA_ID_4200 = 6619.503 + 0.287*EEA_ID_44_45 - 16.191*TREND$$

$$EEA_ID_44_45 = 46229.514 + 254.481*((MOVAV(YPADJ_ID,4)/MOVAV(JPC,4))) - 513.069*TREND$$

$$EEA_ID_48_49_22 = -5182.632 + 0.811*MOVAV(EEA_ID_4200,2) + 2595.220*MOVAV(ID0NPT(-1),8)$$

$$EEA_ID_5100 = -7655.820 + 50.380*MOVAV(IPSG51111,4) + 85.090*TREND + 296.787*DUM061ON$$

$$\begin{aligned} EEA_ID_52_53 = & 7187.884 - 4665.520*DUM981ON + 3.206*(MOVAV(SP500,4) - MOVAV(SP500(-4),4)) \\ & + 63.554*(YPADJ_ID/JPC) \end{aligned}$$

$$EEA_ID_54_55_56 = -15849.031 + 2.178*MOVAV(ID0YP(-1),4)$$

$$EEA_ID_61_62 = -37323.497 + 57162.272*MOVAV(ID0NPT,4) + 0.580*@MOVAV(ID0YP$(-1),2)$$

$$EEA_ID_71_72 = -5993.250 + 1.778*@MOVAV((ID0YP/ID0NPT),4) + 82.314*TREND$$

$$\text{EEA_ID_8100} = 4022.722 + 37.333 * (\text{MOVAV}(\text{YPADJ_ID}, 4) / \text{MOVAV}(\text{JPC}, 4)) + 1259.157 * \text{DUM931964} \\ - 752.819 * \text{DUM0610N}$$

$$\text{EEA_ID_DMANU} = \text{EEA_ID_WOOD} + \text{EEA_ID_3320} + \text{EEA_ID_3330} + \text{EEA_ID_3340} + \text{EEA_ID_MFDNEC}$$

$$\text{EEA_ID_GOODS} = \text{EEA_ID_MANU} + \text{EEA_ID_2300} + \text{EEA_ID_2100}$$

$$\text{EEA_ID_GV} = \text{EEA_ID_GVSL} + \text{EEA_ID_GVF}$$

$$\text{EEA_ID_GVF} = 9677.370 + 3779.089 * \text{EG91} * (\text{GFOR} / \text{GFR})$$

$$\text{EEA_ID_GVSL} = \text{EEA_ID_GVSLAD} + \text{EEA_ID_GVSLED}$$

$$\text{EEA_ID_GVSLAD} = -3189.887 + 29163.579 * \text{MOVAV}(\text{ID0NPT}, 4) + 0.310 * \text{MOVAV}(\text{ID0YPTXB}(-4), 4) \\ + 3850.550 * \text{DUM911062}$$

$$\text{EEA_ID_GVSLED} = -2823.058 + 14595.017 * \text{ID0NPT} * ((N - N16A) / N) + 0.300 * \text{ID0YPTXB} \\ - 0.016 * \text{ID0YPTXB} * \text{DUM0710N}$$

$$\text{EEA_ID_MANU} = \text{EEA_ID_DMANU} + \text{EEA_ID_NMANU}$$

$$\text{EEA_ID_MFDNEC} = -3670.607 + 77.272 * \text{MOVAV}(\text{IPSG339}, 2) + 58.779 * @\text{MOVAV}(\text{IPSG337}, 2)$$

$$\text{EEA_ID_MFNNEC} = 1061.905 + 16.990 * \text{MOVAV}(\text{IPSG322}, 2) + 11.145 * @\text{TREND}$$

$$\text{EEA_ID_NMANU} = \text{EEA_ID_3110} + \text{EEA_ID_3230} + \text{EEA_ID_3250} + \text{EEA_ID_MFNNEC}$$

$$\text{EEA_ID_NONGOODS} = \text{EEA_ID_SV} + \text{EEA_ID_4200} + \text{EEA_ID_44_45} + \text{EEA_ID_GV}$$

$$\text{EEA_ID_SV} = \text{EEA_ID_48_49_22} + \text{EEA_ID_5100} + \text{EEA_ID_52_53} + \text{EEA_ID_54_55_56} + \text{EEA_ID_61_62} \\ + \text{EEA_ID_71_72} + \text{EEA_ID_8100}$$

$$\text{EEA_ID_WOOD} = 17148.840 + 75.531 * \text{MOVAV}(\text{IPSG321}, 2) - 14233.265 * (\text{JECIWSP} / \text{WPI08}) \\ - 41.554 * \text{IPSG321} / \text{EMD321}$$

$$\text{ID0AHEMF} = -11.890 + 29.523 * (\text{EEA_ID_DMANU}(-1) / \text{EEA_ID_MANU}(-1)) * @\text{MOVAV}(\text{JECIWSP}(-1), 4) \\ + 26.408 * (\text{EEA_ID_NMANU}(-1) / \text{EEA_ID_MANU}(-1)) * @\text{MOVAV}(\text{JECIWSP}(-1), 4) + .973 * \text{AR}(1)$$

$$\text{ID0CRCROP} = 54682.549 + 0.013 * \text{CRCROP} + 377440.603 * \text{WPI01}$$

$$\text{ID0CRLVSTK} = -491015.480 + 0.023 * (\text{CRCATCVS} + \text{CRDAIRY}) + 9861.245 * \text{TREND}$$

$$\text{ID0EXFP} = -545549.580 + 1625353.737 * \text{WPI01} + 18906.969 * \text{TREND}$$

$$ID0HSPR = ID0HSPRS1_A + ID0HSPRS2A_A$$

$$ID0HSPRS1_A = -451.304 - 0.946*(RMMTGEXIST - MOVAV(RMMTGEXIST(-1),4)) \\ + 8.242*(MOVAV(ID0NPT),4)) + 439.617*ID0KHU/ID0KHU(-4)$$

$$ID0HSPRS2A_A = 4.232 + 46.541*(MOVAV(ID0NPT(-1),4) - MOVAV(ID0NPT(-5),4)) \\ - 0.106*MOVAV(RMMTGEXIST,4) - 0.003*TREND* RMMTGEXIST$$

$$ID0KHU = ID0KHU1 + ID0KHU2A$$

$$ID0KHU1 = ((0.997)^{0.25}) * ID0KHU1(-1) + ID0HSPRS1_A/4$$

$$ID0KHU2A = ((0.997)^{0.25}) * ID0KHU2A(-1) + ID0HSPRS2A_A/4$$

$$ID0NB = -12.287 + 41.347*ID0NPT - 0.166*TREND$$

$$ID0ND = 1.440 + 5.066*ID0NPT + 0.012*TREND$$

$$ID0NMG = (ID0NPT - ID0NPT(-4)) - (ID0NB - ID0ND)/1000$$

$$ID0NPT = 0.437 + 0.0000002*MOVAV(EEA_ID,4) + 0.006*TREND$$

$$ID0WBB\$ = ID0WBBMF\$ + ID0WBBOTH\$ + ID0WBBCC\$ + ID0WBBF\$ + ID0WBBMIL\$$$

$$ID0WBBCC\$ = (ID0WRWCC\$ * EEA_ID_2300)/1000000$$

$$ID0WBBF\$ = -621.744 + 697.968*WPI02$$

$$ID0WBBMF\$ = (ID0WRWMF\$ * EEA_ID_MANU)/1000000$$

$$ID0WBBMIL\$ = 13.457 + 282.762*(ID0NPT/N)*GFMLCWSS$$

$$ID0WBBOTH\$ = ID0WRWOTH\$ * (EEA_ID - EEA_ID_2300 - EEA_ID_MANU)/1000000$$

$$ID0WRWCC\$ = 6952.344 + 1692.532*ID0AHEMF$$

$$ID0WRWMF\$ = 801.708 + 2484.326*ID0AHEMF$$

$$ID0WRWOTH\$ = 5216.257 + 1527.027*ID0AHEMF$$

$$ID0YDIR\$ = -16.534 + 1.088*((YPAIN+ZADIV+YPRENTADJ)*(MOVAV(ID0YP$(-1),4)/MOVAV(YP(-1),4)))$$

$$ID0YFC\$ = -37988.390 + 0.877*ID0YFC$(-1) + 55748.450*WPI01$$

$$ID0YINV_R\$ = -8459.491 + 0.756*ID0YINV_R\$_{(-1)} + 43733.86*WPI01$$

$$ID0YP = ID0YP\$/JPC*100$$

$$ID0YP\$ = ID0WBB\$ + ID0YSUP\$ + ID0YDIR\$ + ID0YPRNF\$ + ID0YPRF\$ + ID0YTR\$ + ID0YRA\$ - ID0YSIS\$$$

$$ID0YP\$PC = ID0YP\$/ID0NPT$$

$$ID0YPNF = ID0YPNF\$/JPC*100$$

$$ID0YPNF\$ = ID0YP\$ - ID0YPRF\$ - ID0WBBF\$$$

$$ID0YPNFPC = ID0YPNF\$/JPC*100/ID0NPT$$

$$ID0YPPC = ID0YP/ID0NPT$$

$$ID0YPRF\$ = 100.409 + 0.212*((ID0CRCROP+ID0CRLVSTK+ID0YTRF\$+ID0YINV_R\$ - ID0YFC\$ - ID0EXFP)/1000) + 3.494*TREND$$

$$ID0YPRNF\$ = 45.001 + 4.363*YPPROPADJNF$$

$$ID0YPTXB = (ID0YP\$ - ID0YSIS\$ - ID0YTR\$)/JPC*100$$

$$ID0YRA\$ = -79.614 + 0.033*ID0WBB\$$$

$$ID0YSIS\$ = -62.350 + 2.402*TXSIEC*ID0WBB\$/YPCOMPWSD$$

$$ID0YSUP\$ = 61.656 + 1.567*YPCOMPSUPPAI*ID0WBB\$/YPCOMPWSD$$

$$ID0YTR\$ = -43.790 + 864.130*(YPTRFGF+YPTRFGSL)*(ID0NPT/N)$$

$$ID0YTRF\$ = 25968.580 + 0.010*TRF\$$$

$$IDWAGE = (ID0WBB\$ - ID0WBBF\$ - ID0WBBMIL\$)/EEA_ID * 1000000$$

$$YPADJ_ID = ID0YPNF\$ + MOVAV(ID0YPRF\$,4) + MOVAV(ID0WBBF\$,4)$$

ENDOGENOUS VARIABLES

EEA_ID	Employment on nonagricultural payrolls, total
EEA_ID_2100	Employment in mining
EEA_ID_2300	Employment in construction
EEA_ID_3110	Employment in food processing
EEA_ID_3230	Employment in printing
EEA_ID_3250	Employment in chemicals
EEA_ID_3320	Employment in fabricated metal products
EEA_ID_3330	Employment in machinery
EEA_ID_3340	Employment in computers and electronic products
EEA_ID_4200	Employment in wholesale trade
EEA_ID_44_45	Employment in retail trade
EEA_ID_48_49_22	Employment transportation, warehousing, and utilities
EEA_ID_5100	Employment in information
EEA_ID_52_53	Employment in finance, insurance, and real estate
EEA_ID_54_55_56	Employment in professional, scientific, and technical services
EEA_ID_61_62	Employment in health care and educational services
EEA_ID_71_72	Employment in leisure and hospitality
EEA_ID_8100	Employment in other services
EEA_ID_DMANU	Employment in durable goods manufacturing
EEA_ID_GOODS	Employment in goods producing
EEA_ID_GV	Employment in government
EEA_ID_GVF	Employment in federal government
EEA_ID_GVSL	Employment in state and local government
EEA_ID_GVSLAD	Employment in state and local government, administration
EEA_ID_GVSLED	Employment in state and local government, education
EEA_ID_MANU	Employment in manufacturing
EEA_ID_MFDNEC	Employment in other durable manufacturing
EEA_ID_MFNNEC	Employment in other nondurable manufacturing
EEA_ID_NMANU	Employment in nondurable manufacturing
EEA_ID_NONGOODS	Employment in non-goods producing
EEA_ID_SV	Employment in services
EEA_ID_WOOD	Employment in wood products and logging
ID0AHEMF	Average hourly earnings in manufacturing
ID0CRCROP	Cash receipts, crops, not seasonally adjusted
ID0CRLVSTK	Cash receipts, livestock, not seasonally adjusted
ID0EXFP	Farm production expenses
ID0HSPR	Housing starts, total
ID0HSPRS1_A	Adjusted housing starts, single units
ID0HSPRS2A_A	Adjusted housing starts, multiple units
ID0KHU	Housing stock, total
ID0KHU1	Housing stock, single units
ID0KHU2A	Housing stock, multiple units
ID0NB	Number of births
ID0ND	Number of deaths
ID0NMG	Net in-migration of persons
ID0NPT	Resident population
ID0WBB\$	Wage and salary disbursements

ID0WBBCC\$	Wage and salary disbursements, construction
ID0WBBF\$	Wage and salary disbursements, farm
ID0WBBMF\$	Wage and salary disbursements, manufacturing
ID0WBBMIL\$	Wage and salary disbursements, military
ID0WBBOTH\$	Wage and salary disbursements, except farm, manufacturing, and construction
ID0WRWCC\$	Average annual wage, construction
ID0WRWMF\$	Average annual wage, manufacturing
ID0WRWOTH\$	Average annual wage, except manufacturing, construction, and farm
ID0YDIR\$	Dividend, interest, and rent income
ID0YFC\$	Corporate farm income
ID0YINV_R\$	Farm inventory value changes, imputed rent, and income
ID0YP	Total personal income, 2000 dollars
ID0YP\$	Total personal income
ID0YP\$PC	Per capita personal income
ID0YPNF	Nonfarm personal income, 2000 dollars
ID0YPNF\$	Nonfarm personal income
ID0YPNFPC	Per capita nonfarm income, 2000 dollars
ID0YPPC	Real per capita personal income
ID0YPRF\$	Net farm proprietors' income
ID0YPRNF\$	Nonfarm proprietors' income
ID0YPTXB	Tax base, 2000 dollars
ID0YRA\$	Residence adjustment, personal income
ID0YSI\$	Contributions for social insurance
ID0YSUP\$	Other labor income
ID0YTR\$	Transfer payments to persons
ID0YTRF\$	Government payments to Idaho farmers
IDWAGE	Idaho average annual wage
YPADJ_ID	Adjusted total personal income

EXOGENOUS VARIABLES

CNCSR	Personal consumption expenditures, clothing and shoes, 2000 dollars, chain weighted
CNOOR	Personal consumption expenditures, other nondurable goods, 2000 dollars, chain weighted
CRCATCVS	Cash receipts, U.S. cattle and calves
CRCROP	Cash receipts, U.S. crops
CRDAIRY	Cash receipts, U.S. dairy

DUM061ON
DUM911062
DUM931964
DUM951ON
DUM981ON
TREND

These are dummy variables used in regression equations for the purpose of capturing the impacts of discrete economic or noneconomic event such as strikes, plant opening, or closures, unusual weather conditions, etc.

EG91	Employment in federal government
EMD321	Employment in Wood Products
EMD334	Employment in Computer and Electronic Products
EMN311	Employment in Food Manufacturing
EMN323	Employment in Printing and Related Support Activities
GFMLCWSS	Federal government defense personnel outlays
GFOR	Real federal nondefense purchases of goods and services
GFR	Real federal purchases of goods and services
ID0IP2122_2123	Industrial production index, metal and nonmetal ore mining, 2002=100.0
IPSG311	Industrial production index, food, 2002=100.0
IPSG321	Industrial production index, wood products, 2002=100.0
IPSG322	Industrial production index, paper, 2002=100.0
IPSG323	Industrial production index, printing, 2002=100.0
IPSG3253	Industrial production index, agricultural chemicals, 2002=100.0
IPSG332	Industrial production index, fabricated metal products, 2002=100.0
IPSG3332	Industrial production index, industrial machinery, 2002=100.0
IPSG334	Industrial production index, computer and electronic products, 2002=100.0
IPSG337	Industrial production index, furniture and related products, 2002=100.0
IPSG339	Industrial production index, miscellaneous manufacturers, 2002=100.0
IPSG51111	Industrial production index, newspaper publishing, 2002=100.0
JECIWSP	Employment Cost Index—Private Sector Wages and Salaries
JPC	Implicit price deflator, personal consumption, 2000=100.0, chain weighted
N	Population, U.S.
N16A	Population, U.S., aged 16 and older
RMMTGEXIST	Effective conventional mortgage rate, existing homes, combined lenders
SP500	Standard & Poor's 500 index of common stocks
TRF\$	Government payments to U.S. farms
TXSIEC	Personal contributions for social insurance, U.S.
WPI01	Producer price index, farm products, 1982=1.0
WPI02	Producer price index, processed foods and feeds, 1982=1.0

WPI08	Producer price index, lumber and wood products, 1982=1.0
WPI10	Producer price index, metals and metal products, 1982=1.0
YP	Personal income
YPAINT	Personal interest income
YPCOMPSUPPAI	Other labor income, U.S.
YPCOMPWSD	Wage and salary disbursements
YPPROPADJNF	Nonfarm proprietors' income (with inventory valuation and capital consumption adjustments)
YPRENTADJ	Rental income of persons with capital consumption adjustment
YPTRFGF	Federal transfer payments to individuals
YPTRFGSL	State and local transfer payments to individuals
ZADIV	Dividends